Notes to the consolidated financial statements

1. Form, content and other general information

Company Information

Salini S.p.A. is a leader in the civil engineering sector and mainly in the construction of roads, motorways, railways, dams, hydroelectric plants, tunnels, aqueducts, and civil and commercial construction in general, both in Italy and abroad. At present much of the Group's work is carried out abroad, particularly in Ethiopia, Nigeria, Denmark, Dubai, Sierra Leone, Turkey, Zimbabwe, Malaysia, Libya, Kazakhstan and Romania. In Italy, the main project consists of building the metro B1 line in Rome.

The parent company, Salini S.p.A., is a public limited company with its registered office at Via della Dataria 22, Rome.

In the first half of 2013, with the completion of the voluntary public tender offer for all ordinary shares of Impregilo S.p.A. and with the approval of the resulting merger of Salini S.p.A. into Impregilo S.p.A., in the respective Shareholders' Meetings of 12 September 2013, effective from 1 January 2014, a key step was taken to implement the Campione Nazionale® project, which is fully described in the Directors' Report, with the aim of creating a global leader with the know-how, expertise, track record and size necessary to compete in the global construction sector through more efficient and effective business management.

The merger transaction is an essential phase in the industrial and strategic plan launched by the Group to create a Campione Nazionale® in the sector of the construction of complex works and infrastructures, consisting of a major Italian player with shares listed on the electronic stock market and capable of becoming one of the largest worldwide operators in this sector.
The publication of these consolidated financial statements for the year ended 31 December 2013 was authorised by the Board of Directors on 19 March 2014.

Form and content of the consolidated financial statements

At its meeting on 30 November 2011, the Board of Directors of Salini Costruttori S.p.A. resolved to establish "Salini S.p.A.", the purpose of which would be to design and build infrastructural works. The same meeting also approved the contribution in kind by the sole shareholder Salini Costruttori S.p.A. – effective as of 1 January 2012 and pursuant to Article 2342 et seq. of the Italian Civil Code – to the aforementioned Salini S.p.A. of the infrastructure construction business unit, inclusive of all associated contracts undertaken directly or indirectly in Italy and abroad at 30 September 2011. As a result of this contribution in kind, Salini Costruttori S.p.A. controls 100% of Salini S.p.A.'s share capital.
That transaction, to be considered an essential component of the parent company's corporate reorganisation project, was completed through the establishment of Salini S.p.A. on 6 December 2011 and the subsequent contribution of the business unit, including its equity, assets and liabilities, examined in the report of the independent expert, appointed pursuant to the procedure set forth in Article 2343-ter, paragraph 2, letter b) of the Italian Civil Code. This transaction, which can be configured as a business combination under common control, does not come under the application scope of IFRS 3; therefore for the purpose of this consolidated financial report, the assets and liabilities transferred are reported at IFRS values.

The Group has decided to prepare these consolidated financial statements in accordance with the International Financial Reporting Standards published by the International Accounting Standards Board ("IASB") and adopted by the European Union and in accordance with the regulations issued in implementation of Article 9 of Legislative Decree 38/2005. IFRS means all revised

international accounting standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including those previously issued by the Standing Interpretations Committee ("SIC").
Specifically, the Salini Costruttori Group started the conversion project to IAS/IFRS international accounting standards in 2008. Therefore, from the year ended 31 December 2008, Salini Costruttori has prepared the consolidated financial statements on a voluntary basis, in accordance with the International Financial Reporting Standards adopted by the European Union for the sole purpose of presenting them in accordance with the uniform standards which prevail in the sector of construction companies, also with regard to the access procedures for international tenders. Therefore the First-Time Adoption (FTA) date was 1 January 2007.

As a result of the circumstances described above, 2013 is the first year in which the Salini Group has a complete set of consolidated financial statements that can be compared with the previous year (2012), for both the statement of financial position and the income statement.
In particular, the figures for 2012 have been restated with respect to the consolidated financial statements for 2012. This restatement did not result in significant impacts on the statement of financial position, income statement and statement of comprehensive income.

In implementing its management and accounting systems, from 2013 the Company has unified chart of accounts of its branches and entities that fall within the consolidated financial statements. This has resulted in a number of reclassifications of balances on the financial statements of the companies mentioned above, which have consequently changed the comparative figures of the consolidated financial statements. In addition, in the IFRS first-time adoption separate financial statements of the parent company Salini S.p.A. (the date of FTA was 1 January 2012), differences emerged from the calculation of the tax effects of the adjustments arising from the first time adoption of IAS/IFRS differences, that were not significant in terms of impact on equity at 1 January 2012 and on the income statement and equity at 31 December 2012. For the most significant impacts, details are provided in the notes of the effects of this restatement on the comparative figures at 31 December 2012.
The consolidated financial statements at 31 December 2013 comprise the following statements:

- a consolidated statement of income, which contains a classification of costs according to their nature, in addition to EBIT;
- a statement of comprehensive income;
- a statement of financial position, which is prepared by classifying assets and liabilities according to the "current/non-current" criterion. Minority interests are represented in the consolidated statement of financial position, in shareholders' equity and separately from shareholders' equity attributable to the Group;
- a consolidated statement of cash flows, which is prepared by reporting financial flows generated by operating, investing and financing activities according to the "indirect method", as permitted by IAS 7 (Statement of Cash Flows);
- statement of changes in equity;
- explanatory notes.

The consolidated financial statements were prepared based on the historical cost principle, except for items which in accordance with IFRS are measured at fair value as indicated in the measurement criteria below.
To improve the presentation of the financial statements and for a better reflection of the contractual nature of some contractual advances received from clients, the Group has decided to report these amounts under liabilities in "Amounts due to clients", distinguishing between the non-current and current portion.
The consolidated financial statements are presented in Euros and all figures are rounded to the nearest thousand, unless otherwise indicated.
Compared to 31 December 2012, the scope of consolidation has changed due to:

- acquisition of control of Impregilo S.p.A.; see section 5 for more details;
- incorporation of Salini USA Inc. (100% Salini S.p.A.);

- incorporation of Salini Namibia Pty Ltd (100% Salini S.p.A.) for the construction of the Neckartal dam;
- incorporation of Empresa Constructora Metro 6 Ltd (51% Salini S.p.A. and 49% Impregilo S.p.A.), for the completion of lots 1 and 2 of line 6 of the Santiago metro line in Chile;
- incorporation of Impregilo Salini (Panama) (50% Salini S.p.A. and 50% Impregilo S.p.A.);
- Salini İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi (Turkey) (100% Salini S.p.A.).

Regarding the former IFRS 8 segment information, the Group has provided details by geographical area; the content of this information is determined by applying the same accounting standards used to prepare the consolidated financial statements. See Note 6 for the segment information tables.

2. Accounting standards adopted

Standards and scope of consolidation

The consolidated financial statements of the Salini Group include the statement of financial position, statement of income and financial position of the parent company, Salini S.p.A., and the Italian and foreign operating companies in which Salini S.p.A. has a direct or indirect controlling interest. The financial statements at 31 December 2013, approved by the corporate bodies of the entities included in the scope of consolidation, were used for the consolidation. The financial statements included in the consolidation process were prepared by adopting, for each entity, the same accounting standards as the parent company and making any consolidation adjustments necessary to harmonise items affected by the adoption of different accounting standards; intercompany balances, transactions, revenues and costs were all eliminated. Minority interests are reported in the consolidated statement of financial position, in shareholders' equity and separately from shareholders' equity attributable to the Group; the share of consolidated Group profit attributable to minority interests is also reported separately.

All assets and liabilities of foreign companies within the scope of consolidation and in a currency other than the Euro are converted using the exchange rates prevailing on the reporting date (current exchange rate method), while the corresponding revenues and costs are converted at the average exchange rates for the period. The different conversion rates resulting from the application of this method are classified under shareholders' equity until disposal of the investment.

Non-operating subsidiaries, or those that do not report amounts material for the purposes of the consolidated financial statements, are excluded from the scope of consolidation and are measured according to the equity method, since they are not relevant for the true and fair representation of the operating, financial and cash position of the Group.

Investments in associate companies and joint ventures in which Salini S.p.A. directly or indirectly has a significant influence and holds between 20% and 50% of the capital are measured according to the equity method as defined in IAS 28 and IAS 31 respectively, recognising the share of profits or losses accrued during the period in the statement of income. The risk arising from any losses exceeding the carrying amount of the equity investment is set aside in a special reserve under liabilities insofar as the investor is committed to fulfilling legal or constructive obligations towards the investee company or otherwise covering its losses.

Other equity investments are measured at fair value with the effects recognised in shareholders' equity; when the fair value can no longer be reliably estimated, equity investments are measured at cost. This value is adjusted where there is evidence of an impairment loss. If the reasons for the write-downs no longer apply, the value of equity investments are reinstated commensurate with the write-downs made and the corresponding effect carried in the statement of income. The list of Group companies can be found in section on Related Parties.

Regarding the Impregilo Group, which was included in the Group's consolidated financial statements effective 1 April 2013 (see section 5 for additional details), it consolidates the companies or businesses over which it exercises joint control using the proportional method as a function of the ownership interest or specific contractual provisions on the basis of IAS 31.
On the other hand, on the basis of the option provided in IAS 31, the standards adopted by the Group for the preparation of the financial statements as at 31 December 2012 specify that these companies must be measured using the equity method. In light of (i) the need to harmonise standards adopted by the parent company and its subsidiaries and (ii) the existence of companies or businesses over which joint control is exercised as a function of the ownership interests or specific contractual provisions only within the Impregilo Group (at 31 December 2012 there were cases of this in the Group's consolidated financial statements, but they were not significant), for the purposes of preparing these financial statements, management decided to adopt the option specified by IAS 31 which calls for proportional consolidation.

Business combinations

Business combinations are recognised using the acquisition method set out in IFRS 3 (revised in 2008). Accordingly, the consideration for a business combination is measured at fair value, being the sum of the fair value of the assets acquired and liabilities assumed or incurred by the group at the acquisition date and the equity instruments issued in exchange for control of the acquired entity.
Transaction costs are recognised in profit or loss when incurred.
The contingent consideration, included as part of the transfer price, is measured at acquisition-date fair value. Any subsequent changes in fair value are recognised in profit or loss.

The identifiable assets acquired and the liabilities assumed are recognised at fair value at their acquisition date.
Goodwill is measured as the difference between the aggregate of the consideration transferred, the amount of any non-controlling interests (NCI) and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree and the net fair value of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the value of the net assets acquired and liabilities assumed at the acquisition date exceeds the aggregate of the consideration transferred, the amount of any non-controlling interests (NCI) and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, this excess is immediately recognised through profit or loss as income from the transaction completed.

NCI can be measured at fair value or at their proportionate share of the fair value of the net assets of the acquiree at the acquisition date. The measurement method is decided on a transaction by transaction basis.

Business combination achieved in stages (step acquisition)

In the case of step acquisitions, the Group's existing investment in the acquiree is measured at fair value on the date that control is obtained. Any resulting adjustments to previously recognised assets and liabilities are recognised in profit or loss. Therefore, the previously held investment is treated as if it had been sold and reacquired on the date that control is obtained.

Transactions involving NCI

Changes to the investment percentage of a subsidiary that does not entail loss of control are treated as equity transactions. Therefore, any differences between the acquisition price and the related share of equity in subsequent acquisitions of investments in entities already controlled by the group are recognised directly in equity. With respect to partial disposals of an investment in a subsidiary while control is retained, any gain or loss is recognised in equity.

Property, plant and equipment

Property, plant and equipment are measured at historical cost, including any directly related ancillary expenses, in addition to financial expenses incurred during the period of construction of the assets. Assets acquired through business combinations prior to 1 January 2007 have been recognised at their carrying amount, determined based on the previous accounting standards used for these combinations, as a substitute for the cost.

The cost, as determined above, of assets used only during a certain period, is systematically depreciated on a straight-line basis each financial year based on their estimated technical and economic life, using depreciation rates intended to represent the estimated useful life of the assets. If material components of these assets have a different useful life, these components are recognised separately. The useful life estimated by the Group for the various asset classes is as follows:

	Years
Buildings	15-33
Plant and machinery	5-7
Equipment	3-9

Land, whether undeveloped or developed for civil or commercial buildings, is not depreciated since it has an indefinite useful life.
As previously mentioned, capital assets acquired under finance leases are recognised as tangible fixed assets and offset by the corresponding payable. The lease payment is broken down into its components of interest expense, recognised in the statement of income, and capital repayment, deducted from financial debt.

When the asset is sold or when there are no longer any expected future economic benefits from its use, it is derecognised from the statement of financial position and any profit or loss (calculated as the difference between the disposal value and carrying amount) is recognised in the statement of income in the year in which it is derecognised.

Intangible assets

Intangible assets acquired separately are initially recognised in assets at historical cost, determined according to the same procedures as those indicated for tangible assets. Intangible assets acquired through business combinations are recognised at fair value at the acquisition date, if this value can be determined reliably.

Intangible assets produced internally, excluding development costs, are not capitalised and are recorded in the statement of income for the period in which they are incurred.
Intangible fixed assets may have a finite or indefinite useful life. Within the Group, the following types of intangible assets are currently present:

	Years
Intellectual property rights	3
Concessions and licences	9
Other	9

The Group has no assets with an indefinite useful life other than goodwill.

Following initial recognition, intangible assets with a finite useful life are recognised at cost, net of depreciation and any accumulated impairment losses. The period and method of depreciation are reviewed at the end of each financial year, or more frequently if necessary.
Intangible assets with a finite useful life are amortised, from the point at which the asset is available for use, on the basis of their residual possibility of use, in relation to the useful life of the asset. The period and method of depreciation applied is reviewed at the end of each financial year, or more frequently if necessary.

Gains and losses arising from the disposal of an intangible asset are determined as the difference between the disposal value and the carrying amount of the asset and are recognised in the statement of income on disposal.

The excess of the purchase cost compared to the Group's share of the net fair value of the high capacity business units acquired in the past is classified as other intangible assets and mainly refers to acquisition costs of the business units purchased. The related amortisation is calculated in line with the stage of completion and duration of the work.

Rights to infrastructure under concession

These rights are covered by IFRIC 12 - Service concession arrangements, issued by the International Financial Reporting Interpretations Committee (IFRIC), which regulates the recognition and measurement of concession arrangements between public sector entities and private sector operators. It was endorsed by the European Commission with EC regulation 254/2009 dated 25 March 2009 and its application is mandatory for financial statements drawn up under IFRS beginning from the year after which it was endorsed. Therefore, Impregilo group has applied IFRIC 12 since 2010.

The criteria adopted by the group to apply the interpretation to its concessions are set out below.

Scope and measurement

Scope: IFRIC 12 is applicable to service concession arrangements when the grantor is a public body and the operator is a private entity, when the following conditions are met:

(a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
(b) the grantor controls – through ownership, beneficial entitlement or otherwise – any significant residual interest in the infrastructure at the end of the term of the arrangement.

Measurement of the revenues arising from the concession arrangement: the operator acts as the service provider (construction and management of the work) and recognises the revenues for the construction and upgrade services in accordance with IAS 11 - Construction contracts and the revenues from management of the infrastructure in line with IAS 18 - Revenue.

The grantor pays the operator a consideration for the construction/upgrade services, to be recognised at fair value, which may consist of rights to:
(a) a financial asset (financial asset model);
(b) an intangible asset (intangible asset model).

The first model is applicable when the operator has an unconditional contractual right to receive a specified or determinable amount of cash. The second is applicable when the operator acquires the right to charge for use of a public sector asset that it constructs or upgrades. The amounts are contingent on the extent to which the public uses the service (demand risk).

The concession arrangements to which Impregilo group is party, thanks to the operators consolidated on a line-by-line or proportionate basis, fall under the intangible asset model. The financial asset model is applicable to certain associates, measured at equity.

Recognition of the intangible asset: the intangible asset is recognised during construction of the infrastructure. The main identified cases are as follows:

a. arrangements that cover the construction of a new infrastructure; the operator recognises the intangible asset in line with the stage of completion of the construction project. During construction, the operator recognises revenues and costs in line with IAS 11 - Construction contracts.
b. Arrangements that cover management of an existing infrastructure and its extension or upgrading against which the operator acquires specific additional financial benefits; the operator recognises an increase in the intangible asset as the construction services are provided for these construction and/or upgrade services to be recognised under IAS 11 - Construction contracts.

c. Arrangements that cover management of an existing infrastructure and specific obligations to extend or upgrade it against which the operator does not acquire specific additional financial benefits; at initial recognition, the operator recognises a liability equal to the present value of the forecast outlay for the construction services to be provided in the future with, as a balancing item, an additional component of the intangible asset for the contract consideration, which begins to be amortised.

Contractual obligations for the infrastructure's efficiency levels: given that the operator does not meet the requirements for recognition of the infrastructure as "Property, plant and equipment", the accounting treatment differs depending on the nature of the work carried out and can be split into two categories: (i) work related to normal maintenance of the infrastructure; (ii) replacement and scheduled maintenance at a future date.

Amortisation of the intangible asset: amortisation of the intangible asset recognised for the rights acquired under the concession arrangement is calculated in line with paragraph 97 of IAS 38 - Intangible assets: "The amortisation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity. If that pattern cannot be determined reliably, the straight-line method shall be used".

Financial expenses

Financial expenses relating directly to the acquisition, construction or production of an asset that requires a fairly long period of time before being available for use are capitalised as part of the cost of the asset itself. All other financial expenses are recognised as a cost for the period in which they are incurred.

Assets held under finance or operating leases

Finance leases, which substantially transfer to the Group all risks and rewards incidental to ownership of the leased asset, are capitalised under tangible fixed assets on inception of the lease at the fair value of the leased asset, or at the present value of the lease payments, whichever is lower. This will be offset by a payable for an equal amount, which is gradually reduced based on the lease repayment plan.

Lease payments are divided between the principal and interest, so as to obtain the application of a constant interest rate on the residual balance (principal amount). Interest is charged to the statement of income. Assets are depreciated by applying the criterion and rates indicated in the previous paragraph on tangible fixed assets. Contracts in which the lessor substantially retains all risks and rewards incidental to ownership are classified as operating leases. Operating lease payments are charged to the statement of income over the term of the lease.

Any sale and leaseback transactions to repurchase – under a lease – an asset previously held are recognised as a financing transaction. The assets involved in the transaction remain classified in the Group's statement of financial position assets with consistent accounting treatment, and a liability is recognised to offset the financial flows arising from the sale. Any capital gain that should arise from the disposal is recognised in the statement of income on an accrual basis. This entails an entry under accrued liabilities and the gradual allocation to income in the statement of income, based on the term of the lease.

Impairment losses on non-financial assets

At the end of each reporting period, the Group assesses whether there is any evidence that the value of assets may have been subjected to impairment. If so, or if an annual impairment test is required, the Group estimates the value. The recoverable value is the fair value of the asset or cash-generating unit, less costs to sell, or, if higher, its value in use. Recoverable value is determined for each individual asset, unless its cash flows are not broadly independent of those generated by other assets or groups of assets. Impairment is recognised if the carrying amount of an asset exceeds its recoverable value and, accordingly, this amount is written down to its recoverable value.

When establishing value in use, the Group discounts estimated future cash flows to present value using a pre-tax discounting rate that reflects market assessments of the time value of money and the specific risks associated with the asset. When establishing fair value less costs to sell, a suitable valuation model is used. These calculations have been made using suitable valuation multipliers, prices of listed equity securities for equity investments in which securities are traded publicly and other fair value indicators available.

Impairment losses on operating assets are recognised in the statement of income in the cost category that best reflects the purpose of the asset affected by the impairment loss. This does not apply to assets that have previously been revalued, where the revaluation has been recognised in shareholders' equity. In this case the impairment loss is recognised in shareholders' equity for an amount equal to the previous revaluation.

At each reporting date, the Group assesses whether there is any evidence that the impairment loss previously recognised has ceased to apply (or has been reduced) and, if so, estimates the recoverable value. The value of an asset previously written down may be reversed only where there have been changes in the estimates on which the calculation of the recoverable value determined after the recognition of the last impairment loss was based.

The reversal may not exceed the carrying amount that would have been recorded, net of depreciation and amortisation, had an impairment loss not been recognised in prior periods. This reversal is recognised in the statement of income unless the asset is not recognised at the revalued amount, in which case the reversal is treated as a revaluation increase.

Contract works in progress

Construction agreements in the course of completion are measured based on the contractual payments accrued with reasonable certainty in relation to the progress of the works, according to the percentage of completion method, so as to allocate the revenues and net profit from the contract to the relevant period, in proportion to the progress of the works.Contract works in progress are reported net of any provisions for impairment losses and amounts invoiced at specific stages of the work (prepayments). The corresponding comparison is carried out for each contract and, if the differential is positive due to works in progress exceeding the amount of the prepayments, the difference is classified under assets in the "Amounts due from clients" item. If, on the other hand, this differential is negative, the difference is classified under statement of financial position liabilities in the "Amounts due to clients" item.

Conversely, invoicing for advances constitutes a financial transaction and does not count towards revenues recognition. Therefore, since they

represent a financial transaction, advances are always recognised as a liability since they are not received in respect of works carried out. These advances are however gradually reduced, usually based on contractual agreements, to offset the invoices raised under the contract.
Contractual revenues, in addition to contractual payments, include variants, price revisions and any claims insofar as it is likely that these represent revenues that can be estimated reliably.

In the event that a loss is expected from the performance of a contract, the full amount of the loss is recognised at the point at which it occurs, irrespective of the stage of completion of the contract.

Inventories

Inventories are carried at the lower of cost or net estimated realisable value. Cost is determined by applying the weighted average cost method. The item in question also includes buildings and assets under construction and held for sale.

Cash and cash equivalents

Cash and cash equivalents are recognised at nominal value and include cash instruments, i.e. are available on demand or in the very short term, have cleared and are free of redemption charges.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents are represented by cash funds as defined above net of bank overdrafts repayable on demand.

Non-current assets held for sale

Non-current assets, and groups of assets awaiting disposal, are classified as held for sale when it is expected that their carrying amount will be recovered through disposal rather than through continued use. These assets are recognised at their previous carrying amount and fair value net of costs attributable to the sale, whichever is lower. Revenues from discontinued operations, or in the course of disposal, is reported separately in the statement of income. In accordance with paragraph 34 of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the comparative statement of income is restated based on the same assumptions.

Financial assets

IAS 39 makes provision for the following types of financial instruments: financial assets at fair value in the statement of income, loans and receivables, investments held to maturity and available-for-sale assets. All financial assets are initially recognised at fair value, plus, in the case of assets other than those at fair value in the statement of income, ancillary expenses.
The Group determines the classification of its financial assets after initial recognition and, where appropriate and permitted, reviews this classification at the end of each financial year.
All regular-way purchases and sales of financial assets are recognised on the trade date, or on the date on which the Group enters into a commitment to purchase the asset. Regular-way purchases and sales mean all transactions in financial assets involving the delivery of assets during the period envisaged by the regulations and by standard practice in the market in which the trade takes place.

Financial assets at fair value through Profit and Loss

This category includes assets held for trading and assets designated on initial recognition as financial assets at fair value in the statement of income.

Assets held for trading are all assets purchased with a view to their immediate sale. Derivatives, including separate derivatives, are classified as financial instruments held for trading unless they are designated as effective hedging instruments. Gains or losses on assets held for trading are recognised in the statement of income.

Where a contract contains one or more embedded derivatives, the Group assesses whether the derivative could be separated from the host contract when it becomes a party to the contract.

The revaluation is carried out only if there are changes in the contractual terms that significantly alter the cash flows that would be otherwise required.

Investments held to maturity

Financial assets that are not derivatives and that are characterised by fixed or determinable payments at maturity are classified as "investments held to maturity" when the Group plans and is able to hold them until maturity.

Following initial recognition, financial investments held to maturity are measured on the basis of amortised cost, using the effective interest rate method. Gains and losses are recognised in the statement of income once the investment is derecognised or following an impairment loss, as well as through amortisation.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. Following initial recognition, these assets are measured on an amortised cost basis using the effective discount rate method net of any provisions for impairment losses. Gains and losses are recognised in the statement of income when the loans and receivables are derecognised or following an impairment loss, as well as through amortisation.

Available-for-sale financial assets

Available-for-sale financial assets are financial assets, other than derivative financial instruments, which are designated as such or are not classified in any of the three previous categories.

Following initial recognition, financial assets held for sale are measured at fair value and unrealised gains and losses are recognised as part of comprehensive income in the available-for-sale assets reserve until elimination of the investment, when the accumulated gains or losses are reclassified in the statement of income.

Fair value

For securities widely traded on regulated markets, fair value is determined with reference to the stock market price at the close of trading on the reporting date.
For investments without an active market, fair value is determined using measurement techniques based on: recent transaction prices between independent parties; the present market value of a substantially similar instrument; the analysis of discounted financial flows or option pricing models.

Amortised cost

Financial assets held to maturity and loans and receivables are measured at amortised cost. Amortised cost is calculated using the effective interest rate method net of any provisions for impairment losses. The calculation takes into account any premium or discount on the purchase and includes the transaction costs and commission that are an integral part of the effective interest rate.

Impairment loss on financial assets

The Group verifies at each reporting date whether a financial asset or a group of financial assets has been subjected to an impairment loss.

Assets measured according to the amortised cost method

If there is objective evidence that a loan or receivable recognised at amortised cost has been impaired, the amount of the impairment loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows (excluding future losses not yet incurred) discounted at the original effective interest rate of the financial asset (i.e. the effective interest rate calculated at the initial recognition date).

The carrying amount of the asset will be reduced through the use of a provision. The amount of the loss will be recognised in the statement of income. If the amount of the impairment loss is subsequently reduced and this reduction can objectively be traced to an event occurring after the impairment was recognised, this value may be reinstated. Any subsequent reversals are recognised in the statement of income, provided that the carrying amount of the asset does not exceed the amortised cost at the reversal date.

For trade receivables, provisions for impairment losses are established when there is objective evidence (such as the probability of the debtor becoming insolvent or having serious financial difficulties) that the Group will be unable to recover the entire amount due according to the original terms of the invoice. The carrying amount of the receivable is reduced through recourse to a special reserve. Receivables subjected to impairment are cancelled once these are confirmed as irrecoverable.

Available-for-sale financial assets

At each reporting date, the Group assesses whether there are any impairment losses on available-for-sale financial assets. In the case of equity instruments, this consists of a material and prolonged reduction in the fair value of the instrument to less than its cost. In the event of impairment of an available-for-sale financial asset, a value equal to the difference between its cost (net of the repayment of principal and amortisation) and its present fair value, net of any previous impairment losses recognised in the statement of income, will be reversed from other components of comprehensive income to the statement of income.

Reversals relating to equity instruments classified as available for sale are not recognised in the statement of income. Reversals relating to debt instruments are recognised in other components of comprehensive income. If the increase in the fair value of the instrument can be objectively attributed to an event occurring after the loss had been recognised in the statement of income.

Financial liabilities

Loans and interest-bearing finance

Financial liabilities, other than derivative financial instruments, are initially recognised at the fair value of the payment received, net of the transaction costs that are directly attributable to the issuance of the financial liability itself; these are subsequently measured at amortised cost, in other words at the initial value, net of the capital repayments already made, adjusted (up or down) by the amortisation (using the effective interest rate method) of any differences between initial value and value at maturity.

Financial liabilities at fair value through Profit and Loss

Financial liabilities at fair value in the statement of income include liabilities held for trading and financial liabilities designated at fair value with changes carried in the statement of income at the time of initial recognition.

Liabilities held for trading are all those acquired with a view to their immediate sale. Derivatives, including separate derivatives, are classified as financial instruments held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of income.

Financial guarantees given

Financial guarantees given by the Group are contracts that require an outflow to reimburse the holder for a loss incurred following a default by a debtor on a payment due at maturity based on the contractual terms of the debt instrument. Financial guarantee contracts are initially recognised as liabilities at fair value, plus transaction costs that are directly attributable to the issuance of the guarantee. Liabilities are subsequently measured at the best estimate of the outflow required to meet the effective obligation at the reporting date, or, if higher, the amount initially recognised.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement.

The Group only uses derivative financial instruments for some interest rate swaps to hedge the risks arising mainly from interest rate fluctuations. These derivative financial instruments are initially recognised at fair value on the date on which the contract is signed and are subsequently measured at fair value. They are recognised as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives are recognised directly in the statement of income, except for the effective part of cash flow hedges, which is recognised in shareholders' equity.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges, if they hedge the risk of a change in fair value of the underlying asset or liability or an irrevocable commitment not recognised (except for foreign exchange risk);
- cash flow hedges, if they hedge exposure to changes in cash flows attributable to a specific risk associated with an asset or liability recognised or a transaction that is extremely likely to take place, or a foreign exchange risk linked to an irrevocable commitment that has not been recognised;
- hedges of a net investment in a foreign operation.

On establishing a hedge, the Group designates and formally documents the hedge to which it intends to apply hedge accounting, its risk management objectives and the strategy pursued. The documentation includes identifying the hedging instrument, the item or transaction to be hedged, the nature of the risk and the procedures whereby the company intends to measure the effectiveness of the hedge in offsetting exposure to changes in fair value of the hedged item or cash flows linked to the hedged risk. These hedges are expected to be highly effective in offsetting exposure of the hedged item to changes in fair value or financial flows attributable to the hedged risk; the assessment of whether these hedges are in fact highly effective is carried out on a continuous basis during the periods for which they were designated.

Transactions that satisfy the hedge accounting criteria are recognised as follows:

- **Fair value hedges**
  The change in fair value of interest rate hedges is recognised in the statement of income under financial expenses. The change in fair value of hedging instruments attributable to the hedged item is recognised as part of the carrying amount of the hedged item and is also recognised in the statement of income under financial expenses.
  With regard to fair value hedges for items recognised according to the amortised cost method, the adjustment of the carrying amount is amortised in the statement of income over the remaining period to maturity. The amortisation may begin as soon as an adjustment is made, but no later than the date on which the hedged item ceases to be adjusted by the changes in its fair value attributable to the hedged risk.
  If the hedged item is cancelled, the unamortised fair value is recognised immediately in the statement of income.
  The Group has no fair value hedges.

- **Cash flow hedges**
  The portion of profit or loss on the hedged instrument relating to the effective hedge is recognised under other comprehensive income in the "cash flow hedge" reserve, while the ineffective portion is recognised directly in the statement of income under financial expenses. Amounts recognised as other comprehensive income are transferred to the statement of income during the period in which the hedged transaction influences the statement of income, for example when the financial income or expense is recognised or when a planned sale takes place. When the hedged item is the cost of a non-financial asset or liability, the amounts recognised under other comprehensive income are transferred at the initial carrying amount of the asset or liability.
  If the proposed transaction or irrevocable commitment is no longer expected to take place, the accumulated gains or losses recognised in the cash flow hedge reserve are transferred to the statement of income. If the hedging instrument reaches maturity or is sold, cancelled or exercised without being replaced, or if its designation as a hedge is revoked, amounts previously recognised in the cash flow hedge reserve remain there until the proposed transaction or irrevocable commitment have an impact on the statement of income.
  At the reporting date, the Group had 10 cash flow hedge derivatives outstanding. See Note 39 for more information.

- **Hedging a net investment in a foreign operation**
  The hedging of a net investment in a foreign operation, including the hedging of a monetary item recognised as part of a net investment, are recognised in the same way as cash flow hedges. Gains or losses on the hedging instrument are recognised under other comprehensive income for the effective part of the hedge, while the remainder (ineffective) are recognised in the statement of income. On the disposal of the foreign asset, the accumulated value of such comprehensive gains or losses is transferred to the statement of income.
  The Group does not have any hedges of net investments in foreign operations.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive financial flows from the asset are extinguished;
- the Group retains the right to receive financial flows from the asset, but has assumed a contractual obligation to pay them immediately and in full to a third party;
- the Group has transferred the right to receive financial flows from the asset and (a) has substantially transferred all risks and rewards incidental to ownership of the financial asset, or (b) has neither transferred nor substantially retained all risks and rewards incidental to ownership, but has transferred control of the asset.

In cases where the Group has transferred the right to receive financial flows from an asset and has neither transferred nor substantially retained all risks and rewards and has not lost control over the asset, the asset is recognised by the Group to the extent of its residual interest therein. The residual interest, which takes the form of a guarantee on the transferred asset, is measured at the lower of the initial carrying amount of the asset and the maximum value of the consideration that the Group could be required to pay. In cases where the residual interest takes the form of an option issued and/or acquired on the transferred asset (including options settled in cash or similar), the measurement of the Group's interest corresponds to the amount of the transferred asset that the Group could repurchase; however, in the case of a put option issued on an asset measured at fair value (including options settled in cash or using similar instruments), the measurement of the Group's residual interest is limited to the fair value of the asset transferred or the exercise price of the option, whichever is lower.

Financial liabilities

A financial liability is derecognised when the underlying obligation is extinguished, cancelled or fulfilled. In cases where an existing financial liability is replaced by another from the same provider, under substantially different conditions, or the conditions of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with any differences between the carrying amounts recognised in the statement of income.

Employee benefits

The liability relating to short-term benefits guaranteed to employees, paid during the period of employment, is recognised based on the amount accrued at the end of the reporting period.
Liabilities relating to employment benefits paid during or after the period of employment under defined benefit plans, represented by the employee termination benefits plan and the loyalty bonus scheme provided by Article 66 of the national collective agreement of 5 July 1995 for the building industry, are recognised during the vesting period, net of any assets used to service the plan and advances paid, and are determined based on actuarial assumptions and recognised on an accrual basis in line with the period of service necessary to qualify for benefits; the liabilities are measured by independent actuaries.
The method used to measure defined benefit plans is the Projected Unit Credit Method (PUCM).
With regard to termination benefits, this method consists of calculating the average present value of obligations under the plan, accrued based on the employee's length of service prior to the measurement date, taking into account the employee's future contributions. The calculation method, applied on an individual basis for the population measured, can be divided into the following stages: 1) projection of the fund already set aside and future contributions, which will accrue whenever payment takes place; 2) calculation of the probable payments that will have to be made if the employee leaves the company due to dismissal, resignation, disability, death or retirement, or in the event of taxes or an advance payment request; 3) discounting, at the measurement date, of each probable payment; and 4) recalculation of the probable benefits discounted based on the length of service at the measurement date, compared with the total length of service whenever settlement takes place. The same method is used to measure the loyalty bonus, the calculation of which does not include future contributions from the employee, nor the possibility of advances.

Note that from the 2007 financial year, the Group absorbed the effects of changes introduced by the 2007 Finance Act and subsequent decrees and regulations relating to the allocation of termination benefits accrued from 1 January 2007, applicable for companies with an average of more than 50 employees in 2006. It follows from this that, for Group companies affected by the changes:

- the termination benefits accrued at 31 December 2006 remain a defined benefit plan;
- the termination benefits allocated to a supplementary pension from the date of this option (or at the end of the six-month statutory period, unless otherwise indicated) represent a defined contribution plan;
- the termination benefits allocated after 1 January 2007 to the treasury fund represent a defined contribution plan.

For termination benefits accrued at 31 December 2006, while maintaining the status of a defined benefit plan, the calculation method has changed due to the absence of future contributions; in fact, the liability linked to accrued termination benefits is measured for actuarial purposes at 1 January 2007 (or the date on which the decision was made to allocate these to a supplementary pension) without using the Projected Unit Credit Method (PUCM), since the employee benefits accrued prior to 31 December 2006 (or the date on which the decision was made to allocate these to a supplementary pension) could be considered almost entirely vested (with the sole exception of the revaluation) in accordance with paragraph 67(b) of IAS 19.
Conversely, the accounting treatment of amounts accrued from 1 January 2007 is similar to that for other contribution payments, both in the case of the

supplementary pension option, and in the event of allocation to the INPS treasury fund.
In addition, in accordance with IAS 19, these changes entail the recalculation of the termination benefits accrued at 31 December 2006; this recalculation ("curtailment", as defined in paragraph 109 of IAS 19) is essentially based on the exclusion of future payments and the related assumed increases from the actuarial calculation.

Gains and losses arising from the actuarial calculation for both defined benefit plans are recognised in comprehensive income during the period in which they occur. These actuarial gains and losses are classified immediately under retained earnings and are not reclassified in the statement of income in subsequent periods.

Provisions for risks and charges

Provisions for risks and charges are recognised when there is a present (legal or constructive) obligation towards third parties arising from a prior event, if an outflow of resources is probable to satisfy the obligation and the amount of the obligation can be reliably estimated.

Provisions are recognised at the value representing the best estimate of the amount that the company would pay to extinguish the obligation or to transfer it to third parties at the reporting date. If the impact of discounting the value of money is significant, the provisions are determined by discounting expected future financial flows at a discount rate that reflects the current market valuation of the time value of money. When the discounting is carried out, the increase in the provision due to the passage of time is recorded as a financial expense.

Revenues

Revenues other than from work in progress under contract are recognised insofar as it is possible to determine their fair value reliably and it is probable that the related economic benefits will materialise.

Depending on the type of transaction, revenues are recognised on the basis of the following specific criteria:

- revenues from sales of goods are recognised when the material risks and rewards of ownership of the assets are transferred to the buyer;
- revenues from the provision of services are recognised with reference to the stage of completion of the assets based on the same criteria as for work in progress under contract. If it is not possible to determine the amount of revenues reliably, this is recognised based on the costs incurred which are expected to be recovered;
- revenues from lease payments and royalties are recognised during the accrual period, based on the contractual agreements signed.

Interest revenues (and interest expenses) are recognised based on interest accrued on the value of the corresponding financial assets and liabilities, using the effective interest rate method.

Dividends received from companies other than subsidiaries, associate companies or joint ventures are recognised on the vesting of the shareholders' right to receive them, following a resolution by shareholders of investee companies to distribute dividends.

Income tax

This is recognised based on a realistic estimate of the tax expenses due, in accordance with the prevailing regulations, taking into account any applicable exemptions. The tax rates and legislation used to calculate the amount are those issued or substantially in force at the reporting date in countries where the Group operates and generates its taxable income.

The liability for regional income tax (IRAP) and corporate income tax (IRES) to be paid directly to the tax administration is reported in the statement of financial position under current liabilities in the "Current tax liabilities" item, net of payments on

account made. Any positive difference is recognised under current assets in the "Current tax assets" item.
Deferred and prepaid taxes are calculated using the liability method on temporary differences between assets recognised in the financial statements and the corresponding values recognised for tax purposes. Prepaid tax assets are also recognised on tax losses carried forward by the company.

Deferred tax liabilities are recognised against all taxable temporary differences, except for:

a) when deferred tax liabilities arise from the initial recognition of goodwill or of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction itself, has no impact either on net profit calculated for the purposes of the financial statements, or on profit or loss calculated for tax purposes;
b) with reference to taxable temporary differences associated with equity investments in subsidiaries, associate companies and joint ventures, in the event that the reversal of temporary differences can be verified and it is likely that this will not occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and for tax assets and liabilities carried forward, insofar as it is probable that there will be adequate future taxable income to justify the use of deductible temporary differences and of tax assets and liabilities carried forward, except for cases where:

- the deferred tax asset associated with the deductible temporary differences derives from the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, has no influence either on net profit calculated for the purposes of the financial statements, or on profit or loss calculated for tax purposes;
- with reference to taxable temporary differences associated with equity investments in subsidiaries, associate companies and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the deductible temporary differences will be reversed in future and there is adequate taxable income against which the temporary differences could be used.

Prepaid tax assets are recognised when their recovery is deemed probable, based on the estimated future availability of sufficient taxable income for the realisation of the prepaid taxes themselves. The recoverable nature of the prepaid tax assets is reviewed at each reporting date.
Deferred tax assets and liabilities are measured based on the tax rates expected to apply to the financial year in which such assets are realised or liabilities extinguished, considering the prevailing rates and those already published or substantially published at the reporting date.
Current taxes relating to items recognised outside profit and loss are recognised in shareholders' equity or in the statement of comprehensive income in line with the recognition of the item to which they relate. Deferred tax assets and liabilities are offset, when there is a legal right to offset current tax assets against current tax liabilities and the deferred taxes relate to the same fiscal entity and the same tax authority.

Conversion of items and translation of financial statements in foreign currency

The consolidated financial statements are presented in Euros, which is the functional and presentation currency of the parent company.
Balances included in the financial statements of each Group company are entered in the currency of the primary economic environment in which the entity operates (functional currency). Items expressed in a different currency from the functional currency, whether monetary (cash, assets and liabilities to be collected or paid with fixed or determinable amounts, etc.) or non-monetary (inventories, work in progress, advances to suppliers of goods and/or services, goodwill, intangible assets, etc.) are initially recognised at the exchange rate in force on the date on which the transaction takes place. Thereafter the monetary elements are converted into the functional currency based

on the prevailing exchange rate at the reporting date and differences arising from the conversion are recognised in the statement of income. Non-monetary items are maintained at the conversion rate on the transaction date, except in the event of a persistent unfavourable trend in the reference exchange rate. Exchange rate differences relating to non-monetary items receive the accounting treatment (statement of income or shareholders' equity) provided for changes in value of such items.

The rules for the translation of financial statements expressed in foreign currency are as follows:

- assets and liabilities included in the financial statements, even if only for comparison purposes, are translated at the exchange rate in force on the reporting date;
- costs and revenues and income and expenses included in the financial statements, even if only for comparison purposes, are translated at the average exchange rate for the reporting period, or at the exchange rate on the date of the transaction, if this differs significantly from the average rate;
- components of shareholders' equity, excluding net profit, are converted at historical exchange rates;
- the "translation reserve" contains both exchange rate differences generated by the conversion of amounts at a different rate from the closing rate, and those generated from the translation of shareholders' equity at a different exchange rate from the rate used at year-end;
- exchange rate differences arising from conversion are recognised in the statement of comprehensive income.

The exchange rates in use at 31 December 2013 were as follows (source: Bank of Italy):

Currency	Period end rate	Average rate
Aed - United Arab Emirates Dirham	5.07	4.88
All - Albanian Lek	140.53	140.30
Ars - Argentine Peso	8.99	7.28
Azn - Azerbaijani Manat	1.08	1.04
Bgn - New Bulgarian Lev	1.96	1.96
Dzd - Algerian Dinar	107.79	105.61
Etb - Ethiopian Birr	26.40	24.86
Gel - Georgian Lari	2.39	2.21
Gnf - Guinean Franc	9695.07	9175.70
Jos - Jordanian Dinar	0.98	0.94
Kzt - Kazakhstani Tenge	212.44	202.14
Lyd - Libyan Dinar	1.70	1.68
Mad - Moroccan Dirham	11.25	11.17
Mdl - Moldovan Leu	18.01	16.72
Myr - Malaysian Ringgit	4.52	4.19
Ngn - Nigerian Naira	220.89	211.55
Ron - New Romanian Leu	4.47	4.42
Sll - Sierra Leone Leone	5944.51	5744.48
Tnd - Tunisian Dinar	2.27	2.16
Try - New Turkish Lira	2.96	2.53
Uah - Ukrainian Hryvnia	11.33	10.79
Ugx - Ugandan Shilling	3484.63	3434.87
Pln - Polish Zloty	4.15	4.20
Usd - Us Dollar	1.38	1.33
Pes - Chilean Peso	724.77	658.32
Inr - Rupia Indiana	85,37	77,93
Sar - Riyal Arabia Saudita	5,17	4,98
Sgd - Singapore Dollar	1,74	1,66
Rub - Russian Ruble	45,32	42,34
Aud - Australian Dollar	1,54	1,38
Pab - Panamanian Balboa	1,38	1,33
Iqd - Iraqi Dinar	1.606,65	1.547,26
Nam - Namibian Dollar	14,57	12,83

3. Newly issued and approved accounting standards and interpretations

Standards and interpretations with effect from 1 January 2013

IAS 1 Presentation of Financial Statements – Presentation of items in other components of comprehensive income in the financial statements

The amendment to IAS 1 introduces the grouping of items presented in other components of comprehensive income. The items, which in the future could be reclassified (or "recycled") in the income statement (e.g., net profit on hedging net investments, translation differences on foreign financial statements, net profit on cash flow hedges and the net profit/ loss from available-for-sale financial assets) must now be presented separately from items that will never be reclassified (e.g., actuarial gains/losses on defined benefit plans and the revaluation of land and buildings). The amendment only concerned the method of presentation and had no impact on the Group's financial position or results.

IAS 1 Presentation of Financial Statements – Clarification of requirements for comparative information

This amendment to IAS 1 clarifies that when an entity presents comparative information in addition to the minimum comparative statements required by IFRS, the entity must present the related comparative information in the notes to financial statements in accordance with IFRS. The presentation of this voluntary comparative information does not involve a complete disclosure of financial statements including all tables.

IAS 32 – Tax effect of distributions to equity holders

The amendment to IAS 32 Financial Instruments: Presentation in Financial Statements, clarifies that taxes tied to distributions to equity holders must be recorded in accordance with IAS 12 Income Taxes. The amendment removes requirements from IAS 32 concerning taxes, and asks the entity to apply IAS 12 to any tax tied to distributions to equity holders. The amendment had no impact on the Group's condensed consolidated interim financial statements since there was no tax impact tied to monetary and non-monetary distributions.

IAS 19 (2011) Employee Benefits (IAS 19R)

IAS 19R includes numerous changes in the recording of defined benefit plans, including: actuarial gains and losses that are now recorded among other components of comprehensive income and permanently excluded from the income statement; the returns expected from plan assets that are no longer recorded in the income statement, while it is necessary to record in the income statement the interest on the plan's net liability (asset) balance, and such interest must be calculated using the same interest rate used to discount the obligation; and costs related to past work performed that are now recognised in the income statement on the first to occur between i) a change or reduction of the plan, or ii) the recognition of related restructuring or employment termination costs. Other changes include new information, such as information on qualitative sensitivity.

In the case of the Group, the transition to IAS 19R had an impact on the net obligation of the defined benefit plan due to the difference in recording interest on the plan's assets and costs related to past work performed.

IFRS 7 Supplemental Information – Offsetting of Financial Assets and Liabilities – Amendments to IFRS 7

These amendments require the entity to provide information on offsetting rights and related agreements (e.g. guarantees). The information will provide useful information to the reader of financial statements to assess the effect of offsetting agreements on the entity's financial position. The new information is required for all financial instruments recorded that are being offset according to IAS 32. The information is also required for financial instruments covered by framework offsetting agreements (or similar agreements), regardless of whether such instruments are offset according to IAS 32. Since the Group does not offset financial instruments in accordance with IAS 32 and has not signed significant offsetting agreements, these amendments have no impact on its financial position or results.

IFRS 13 Fair Value Measurement

IFRS 13 introduces an unambiguous guide line for all fair value measurements under IFRS. IFRS 13 does not modify the cases when it is required to use fair value, but it provides a guide on how to measure fair value under IFRS when the application of fair value is required or permitted by international accounting standards. The application of IFRS 13 had no material impact on the Group's fair value measurements.

IFRS 13 also requests specific information on fair value, a part of which replaces disclosure requirements currently specified by other standards, including IFRS 7 Financial Instruments: Supplemental Information. Some of this information is specifically required for financial instruments by IAS 34.16A(j), and thus it has an effect on the consolidated financial statements. The Group has provided this information in Note 11.

In addition to the amendments and new standards summarised above, an amendment was also made to IFRS 1 First-Time Adoption of International Financial Reporting Standards which applies to annual periods beginning on or after 1 January 2013. This amendment is not relevant for the Group since it is not a new user of IFRS.

IAS 12 – Deferred taxes: recovery of underlying assets

This amendment provides clarification regarding the measurement of deferred taxes on investment property measured at fair value. This amendment introduces the refutable assumption that the carrying amount of an investment property, measured using the fair value model specified by IAS 40, will be recovered through its sale, and that, as a result, the related deferred tax should be measured on a sale basis. This assumption is refuted if the investment property can be depreciated and is held with the intent of using over time substantially all the benefits deriving from the investment property instead of realising these benefits from its sale. The amendment had no impact on the Group's financial position, results or disclosure.

IFRIC 20 – "Stripping costs in the production phase of a surface mine"

This interpretation applies to stripping costs in mining activities during the production phase of a surface mine. The interpretation addresses accounting of the benefits arising from the stripping activity. The new interpretation has had no effect on the Group.

Standards and interpretations approved during 2013 not adopted in advance by the Group

Regulation (EU) No 1254/2012 of the Commission of 11 December 2012, published in Official Journal L 360 of 29 December 2012 concerning the adoption of international accounting standards IFRS 10 – Consolidated financial statements, IFRS 11 – Joint arrangements, IFRS 12 – Disclosure of interests in other entities, amendments to IAS 27 – Separate financial statements and IAS 28 – Investments in associates and joint ventures.

IFRS 10 aims to provide a single guiding standard to follow for the preparation of consolidated financial statements, stipulating control as the basis for the consolidation of all types of entities. In effect, IFRS 10 replaces IAS 27 – Consolidated and separate financial statements and SIC Interpretation 12 – Special purpose vehicles.

IFRS 11 establishes the accounting standards for entities which are part of joint control agreements and replaces IAS 31 – Interests in joint ventures and SIC 13 – Jointly Controlled Entities – Non-Monetary Contributions by Venturers.
IFRS 12 combines, reinforces and replaces the disclosure obligations of subsidiaries, agreements for joint control, associate companies and non-consolidated structured entities.
Following these new IFRS, the IASB also issued an amended IAS 27, which will only involve the separate financial statements and an amended IAS 28 in order to incorporate the introductions of IFRS 11 on the subject of joint venture entities.
The new standards will be applied from the start date of the first financial year beginning after 1 January 2014.
In light of the pronouncements expected from the relative authorities and technical bodies, assessments of the possible economic and financial effects on the consolidated accounts of the new standards are being conducted, with special reference to IFRS 11.

IAS 32 Offsetting of Financial Assets and Liabilities – Amendments to IAS 32
The amendments clarify the meaning of "currently has a legally enforceable right to offset". The amendments also clarify the application of IAS 32's offsetting principle in the case of settlement systems (such as central clearing houses) which adopt non-simultaneous gross settlement mechanisms. These changes should not result in impacts on Group's financial position or results and will be effective for annual reporting periods beginning on or after 1 January 2014.

4. Seasonality of business

The Group's business is not subject to seasonality, and thus the supplemental financial disclosure required by IAS 34.21 is not provided for performance in the twelve months ending on the date that these condensed consolidated interim financial statements were presented.

5. Discretionary measurements and significant accounting estimates

The preparation of the consolidated financial statements and accompanying explanatory notes in accordance with IFRS requires the management to make estimates and assumptions based on subjective opinions, past experience and reasonable and realistic assumptions in view of the information known at the time of the estimate. These estimates have an impact on the values of the assets and liabilities and information relating to contingent assets and liabilities at the reporting date, as well as on the amount of revenues and costs for the period under review. The actual amounts could be significantly different, following possible changes in the factors used to determine such estimates. Estimates are periodically reviewed.

The estimates and assumptions used in the preparation of these consolidated financial statements are set out below:

Accounting area	Accounting estimates
Provision for impairment losses on receivables	The recoverability of receivables is measured by taking into account the risk of non-payment, ageing and bad debts recognised in the past for similar types of receivables.
Intangible assets and Equity investments	The recoverability of the amount recognised in the statement of financial position is evaluated through impairment tests to detect if there are any indicators of impairment. See Note 19 and 20 for details on the assumptions used.
Provisions, contingent liabilities and employee benefits	Provisions linked to legal disputes, arbitration and tax disputes are the result of a complex estimation process which is partly based on the probability of losing the case. Provisions linked to employee benefits, particularly termination benefits, are determined based on actuarial assumptions; changes in these assumptions could have a material impact on these provisions.
Revenues from work in progress	A significant part of the Group's activities is typically carried out on the basis of contracts that involve a payment determined when the contract is awarded. This means that the margins on contracts of this type could change compared with the original estimates, depending on the recoverability or otherwise of the additional expenses and/or costs that the Group could incur during the performance of the contracts.
Income tax	Income tax (current and deferred) is calculated in each country in which the Group operates based on a prudent interpretation of the prevailing tax legislation. This process at times involves complex estimates to determine taxable income and deductible and taxable temporary differences between carrying amounts and taxable amounts. In particular, prepaid tax assets are recognised insofar as it is probable that a future taxable income will be available against which they can be recovered. The measurement of the recoverability of prepaid tax assets, recognised in relation both to tax losses that can be used in subsequent periods and deductible temporary differences, takes into account the estimate of future taxable income and is based on conservative tax planning.
Derivatives and equity instruments	The fair value of derivatives and equity instruments is determined both on the basis of values recognised on regulated markets or quotations supplied by financial counterparties, and based on valuation models that also take into account subjective valuations such as estimated cash flows, expected price volatility, etc.
Goodwill	See Note 6 for details of the estimates used to measure the recoverability of goodwill and any evidence of impairment.

In the absence of a standard or interpretation specifically applicable to a certain transaction, the management defines, through subjective weighted assessments, the accounting policies to be adopted with a view to providing a set of financial statements that give a true and fair view of the financial position, results from operations and cash flows of the Group; reflect the economic substance of the transactions; and are neutral, prepared on a prudent basis and complete in all material respects.

6. Business combinations

Impregilo Group Consolidation

In 2011 a 15% stake was acquired in Impregilo S.p.A. by Salini Costruttori S.p.A. for €122,739, which was transferred during the period to Salini S.p.A.

In the period January-July 2012 the Company acquired a further 14.75% for €173,346, increasing the ownership stake to 29.75%. As shown in the Directors' report, on 17 July 2012 the Impregilo Shareholders' Meeting, at the proposal of the shareholder Salini S.p.A.,

approved the following measures by a majority vote with the attendance of shareholders holding over 80% of capital: the termination of the directors in office and the appointment of a new Board of Directors comprising 15 directors, 14 of whom will be taken from the list presented by Salini. On this date, the equity investment in Impregilo recorded under the "Other companies" item and valued according to IAS 39 was reclassified under equity investments in associate companies, having verified the prerequisites which identify the existence of significant influence on the investee company, included in IAS 28, paragraph 7, the first of these being representation on the board of directors, or on the equivalent body, of the investee company.
In October 2012, the Company acquired further equity investments, equal to approximately 0.1%, increasing its shareholding to 29.84% of the ordinary share capital.

The value of the equity investment at 31 December 2012, following the transactions described above, recorded under equity investments in associate companies, was €570,459.
Also note that, as reported in the Directors' report, Salini S.p.A. through a dedicated announcement pursuant to Article 102, paragraph I, of Legislative Decree 58/98 (TUF) and Article 37 of Consob Regulation 11971/99 ("Issuers' Regulation"), made its decision to promote a voluntary public tender offer known, pursuant to Article 106, paragraph 4 of the TUF, concerning all Impregilo S.p.A ordinary shares not held by Salini S.p.A., at a price of €4.00 per share.

As a result, the OfferDocument was published on 16 March 2013, accompanied by the supporting documentation, specifically the (Impregilo) Issuer Statement, prepared pursuant to Article 103 of the TUF and Article 39 of the Issuers' Regulation.
Taking into account the shares tendered during the subscription period (from 18 March to 18 April 2013) and the subsequent reopening of terms period (from 18 to 24 April 2013), by 2 May 2013 Salini held a total of 370,575,589 ordinary shares, equal to approximately 92.08% of total Impregilo S.p.A. ordinary shares. The success of the operation was also due to the support of the banking sector and advisors.
In light of the outcome of the offer, as it was not aimed at the delisting of Impregilo shares, Salini S.p.A. announced that it would restore floating capital sufficient to ensure regular trading of said shares. The transactions were completed by 16 May 2013 with the Company holding an equity investment of less than 90% of the ordinary share capital (89.7%).
At 31 December 2013, Salini S.p.A. 88.83% of the share capital.
The acquisition was recognised according to the acquisition method.

In accordance with IFRS 3, the acquisition date was 18 April 2013 whereas the accounting date was identified as 1 April 2013 as there were no significant changes in the period.
Consolidated financial position figures of the Salini Group at 31 December 2013 include the full consolidation of the Issuer, while the consolidated income statement figures of the Salini Group at 31 December 2013 fully consolidate the issuer from 1 April 2013, and they only consolidate the Issuer using the equity method for the third quarter of 2013, prior to the acquisition of control through the voluntary public tender offer.

In compliance with the provisions of IFRS 3 for business combinations achieved in stages, at the date of acquisition of control, as a preliminary activity to the identification and valuation of assets acquired and liabilities assumed as part of the business combination, the Company adjusted the value of the equity interest held in Impregilo immediately before the acquisition date, amounting to €570,459 at Fair value at that date, corresponding to €4 per share (equal to the value of the voluntary public tender offer), for a total value of €480,304, recognising a loss in the income statement €90,155, under the item Effect of measuring equity investments according to the equity method.
The valuation of assets acquired and liabilities assumed as part of the business combination for purchase price allocation was completed within the one year period required by IFRS 3.

In particular, with respect to the disclosure provided in the Interim Financial Report of the Salini Group at 30 June 2013, in view of the additional information acquired as a result of in-depth, detailed verifications, additions and/or adjustments have been made to the values established, with reference to the items included in property, plant and equipment and intangible assets, equity investments, available-for-sale financial assets, other current and non-current assets/liabilities, in contract work in progress, advances from clients, and net financial indebtedness, with consequent adjustments of the related tax effects. All the final values been recorded as if the initial recognition of the business combination had been completed on the acquisition, as required by IFRS 3.49.
The table below provides details of the allocated final value, with reference to the acquisition date, of the identifiable assets acquired and the liabilities assumed, compared with the initial values stated in the provisional accounting for the business combination shown in the Interim Financial Report of the Salini Group at 30 June 2013.

(Values in €/000)	Initial provisional recognition at 01/04/2013	Final recognition at 31/12/2013	Difference between fin. rec. at 31/12/2013 e prov. rec. at 01/04/2013
Intangible Fixed Assets	76,550	112,001	35,452
Tangible Fixed Assets	281,320	281,320	0
Equity investments	88,790	103,336	14,546
Other fixed assets	33,688	39,590	5,902
Total non-current assets	**480,347**	**536,247**	**55,900**
Inventories	90,374	90,374	0
Amounts due from clients	898,657	929,997	31,340
Amounts due to clients	(870,038)	(855,739)	14,299
Trade receivables	1,037,326	1,032,799	(4,527)
Other assets	282,471	282,471	0
Tax assets (liabilities)	113,785	89,550	(24,235)
Subtotal	**1,552,576**	**1,569,453**	**16,877**
Trade payables	(786,113)	(786,113)	0
Other liabilities	(241,282)	(241,282)	0
Subtotal	**(1,027,395)**	**(1,027,395)**	**0**
Operating Working Capital	**525,181**	**542,058**	**16,877**
Non-current assets held for sale	**212,256**	**248,056**	**35,800**
Non-current liabilities held for sale (D)	**0**	**0**	**0**
Employee benefits	(18,340)	(18,159)	181
Provisions for risks and charges	(100,459)	(100,459)	0
Total provisions	**(118,799)**	**(118,618)**	**181**
Net invested capital	**1,098,985**	**1,207,743**	**108,758**
Cash and cash equivalents	1,399,538	1,399,538	0
Current financial assets	29,207	29,207	0
Non-current financial assets	42,758	29,730	(13,029)
Current financial liabilities	(387,453)	(384,658)	2,795
Non-current financial liabilities	(316,280)	(326,245)	(9,965)
Net financial payables/receivables	**767,770**	**747,571**	**(20,199)**
TOTAL NET IDENTIFIABLE ASSETS	**1,866,755**	**1,955,314**	**88,559**

(Values in €/000)		01/04/2013	31/12/2013	Difference
Net value of the identifiable assets and liabilities	*b*	1,632,844	1,632,844	0
		1,866,755	1,955,314	88,559
Value of goodwill (badwill) (c=a+b)	c	(233,911)	(322,470)	(88,559)
Value of badwill pro rata (90.78%)		**(212,345)**	**(292,739)**	**(80,394)**

Analysis of cash flows for the acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investment activities))	1,321,498
Consideration paid for the acquisition	(1,299,139))
Net cash flow for the acquisition	**22,359**

The value of the badwill has been calculated solely for the portion attributable to the Salini Group on the basis of the net assets acquired after elimination of goodwill stated in the consolidation of Impregilo, taking into account the related tax effects. This amount, of €292,739 (of which €212,345 already recognised in the Interim Financial Report at 30 June 2013), was recognised in the income statement under financial income (loss).

The main changes in value compared to the amounts stated in the Interim Financial Report of the Salini Group at 30 June 2013 are shown below by item:

- The €35,452 increase in intangible assets is attributable to:
  - The elimination of goodwill relating to Shanghai Pucheng, amounting to €18,515, as it did not constitute an identifiable asset on the basis of IFRS 3.11;
  - The positive difference of €12,029 between the fair value of the "Parking Glasgow" concession and the book value of the operator IGL Parking Glasgow;
  - The valuation of portfolio of work in hand at 31 March 2013, calculated by discounting the expected margins (solely for the contracts with positive margin at the measurement date), adjusted according to the specific remaining project risk. The specific remaining risk has been assumed on the basis of the historical volatility of the project margin correlated against the remaining progress; this effect is a positive €41,938
- Equity investments increased by €14,546, due to the net effect of
  - the fair value adjustment, with a negative effect of €(2,386), of the OCHRE Solutions sub loan vs Impregilo International (OCHRE is measured according to the equity method)
  - the difference between the book value (equity) and the fair value of the concessions held by Ochre and IGL Wolverhampton with a positive effect totalling €16,932
- the amounts due to clients increased by €45,639 due to the valuation of the adjusting events occurring during the period after 1 April 2013
- other current assets, net of the reclassification of €4,527 to trade receivables, increased by €1,375 due to the overall measurement of the fair value of the receivable due from Puentes de Litoral with a negative adjustment of €(1,013), and the measurement of the fair value of the Sub Loan of Impregilo International vs OCHRE Solutions with a positive effect of €2,388
- non-current assets held for sale increased by €35,800, equal to the recognition at 1 April of the update of the value of the compensation claims relating to costs not depreciated at 15 December 2005 for the former RDF plants and for the component relating to legal interest
- post-employment benefits decreased by €181 due to the measurement of fair value
- net financial indebtedness deteriorated by €(20,199), due to the measurement at fair value on the outstanding financial payables and receivables
- net tax liabilities decreased by €(24,235) as a

result of the different values allocated to the other assets and liabilities identified, as listed above.

As reported above, some values have been recognised, such as amounts due from clients, amounts due to clients and non-current assets held for sale, to reflect new information obtained about facts and circumstances that existed at the acquisition date. These values have been included in the financial statements of the subsidiary Impregilo during 2013. Therefore, in these consolidated financial statements at 31 December 2013, appropriate adjustments have been made in order to correctly state the income statement and statement of financial position items.

The tables below show the impacts on profit or loss and equity of the changes in value resulting on the completion of the purchase price allocation (column "Profit from PPA") and reversal of the values included in the financial statements of the subsidiary Impregilo from 1 April to 31 December 2013, relating to those circumstances ("PPA deduction") column:

Reclassified Income Statement (Values in €/000)	Purchase Price Allocation		
	Profit from PPA	PPA deduction	Net effect PPA
Revenues		(45,639)	(45,639)
Other revenues		16,248	16,248
Total Revenues	**0**	**(29,391)**	**(29,391)**
Costs of production			0
Value added	**0**	**(29,391)**	**(29,391)**
Personnel costs		(181)	(181)
Other operating costs		2,267	2,267
EBITDA	**0**	**(27,305)**	**(27,305)**
Depreciation and amortisation		(547)	(547)
Provisions			0
Write-downs			0
(Capitalised costs)			0
EBIT	**0**	**(27,852)**	**(27,852)**
Total of Financial Area and of Equity investments	80,395	(2,932)	77,462
Pre-tax profit/(loss)	**80,395**	**(30,784)**	**49,611**
Taxes		14,520	14,520
Profit/(loss) from continuing operations	**80,395**	**(16,263)**	**64,131**
Profit (loss) from discontinued operations		(35,800)	(35,800)
Net Profit	**80,395**	**(52,063)**	**28,331**
Profit/(loss) attributable to minorities		(6,480)	(6,480)
Profit/(loss) attributable to the Group	**80,395**	**(45,583)**	**34,811**

Reclassified Statement of Financial Position (Values in €/000)	Purchase Price Allocation		
	Profit from PPA	PPA deduction	Net effect PPA
Intangible Fixed Assets	35,452	17,968	53,420
Tangible Fixed Assets			0
Equity investments	14,546	(717)	13,829
Other fixed assets	5,902		5,902
Total fixed assets (A)	**55,900**	**17,251**	**73,151**
Inventories			0
Amounts due from clients	31,340	(31,340)	0
Amounts due to clients	14,299	(14,299)	0
Trade receivables	(4,527)		(4,527)
Other assets			0
Net tax assets (liabilities)	(24,235)	14,520	(9,714)
Subtotal	**16,877**	**(31,119)**	**(14,241)**
Trade payables			0
Other liabilities			0
Subtotal	**0**	**0**	**0**
Operating Working Capital (B)	**16,877**	**(31,119)**	**(14,241)**
Non-current assets held for sale (C)	**35,800**	**(35,800)**	**0**
Non-current liabilities held for sale (D)			**0**
Employee benefits	181	(181)	0
Provisions for risks and charges			0
Total reserves (E)	**181**	**(181)**	**0**
Net Invested Capital (F=A+B+C+D+E)	**108,758**	**(49,848)**	**58,910**

(Values in €/000)	Profit from PPA	PPA deduction	Net effect PPA
Cash and cash equivalents			0
Current financial assets			0
Non-current financial assets	(13,029)		(13,029)
Current financial liabilities	2,795	(2,786)	9
Non-current financial liabilities	(9,965)	571	(9,395)
Net financial payables/receivables (G)	**(20,199)**	**(2,215)**	**(22,414)**
Shareholders' equity	80,395	(45,583)	34,811
Minority interests	8,165	(6,480)	1,684
Shareholders' equity (H)	**88,559**	**(52,063)**	**36,496**
Total Sources (I=G+H)	**108,758**	**(49,848)**	**58,910**

As shown in the table above, the purchase price allocation had a net positive effect on Group shareholders' equity of €34,811. As a result the total effect, which includes the recognition of the profit resulting from the provisional purchase price allocation, of €212,345, recognised at 30 June 2013, amounts to €247,156.
Since the acquisition date, Impregilo S.p.A. has contributed €1,808,626 to Group revenues (€1,779,235 after the effects described above) and €146,532 to the pre-tax profit (loss) from continuing operations (€115,748 after the effects described above). If the business combination had been effective from 1 January 2013, the revenues from continuing operations would have been €2,328,277 and the pre-tax profit (loss) from continuing operations would have amounted to €161,159.

(Values in €/000)	Carrying amounts	Fair value
Non-current assets	7,886	7,886
of which:		
Intangible assets	7,886	7,886
Cash and cash equivalents	23	23
Other current assets	1,090	1,090
Total assets	**8,998**	**8,998**
Bank loans and borrowings due within one year	(3,960)	(3,960)
Trade payables	(1,245)	(1,245)
Other current liabilities	(1)	(1)
Total liabilities	**(5,206)**	**(5,206)**
Net assets acquired	**3,793**	**3,793**
Costs of the business combination		4,950
Goodwill		**(1,157)**

Acquisition of control of Autostrada Broni-Mortara S.p.A.

On 27 May 2013, the subsidiary Impregilo entered into a private agreement with the consortium "Cooperative Costruzioni" and the consortium "Società Cooperativa Muratori e Braccianti di Carpi" for the purchase of 19.8% of the shares held by them in the company Autostrada Broni-Mortara.
The purchase price was a total of €4.9 million, paid in full upon signature of the agreement.
The table below show the value of Impregilo's share in the balance sheet of S.A.BRO.M. at the time of acquisition and the corresponding fair value set preliminarily at the acquisition date for the Purchase Price Allocation (PPA) process:

The cash used for the acquisition, net of cash acquired, is set out below:

(Values in €/000)	
Cash and cash equivalents	23
Property, plant and equipment and intangible assets	7,886
Other assets	1,090
Payables to banks	(3,960)
Other liabilities	(1,246)
Total	**3,793**
Net of cash acquired	(23)
Cash net of cash used for the acquisition	**3,770**

7. Segment reporting

The operating segments subject to reporting have been determined based on the reporting used by senior management to take decisions on the allocation of resources and performance evaluation. Segment performance is measured based on profit or loss. This reporting is based specifically on the different geographical areas in which the Group operates and is determined using the same accounting standards used for preparing the consolidated financial statements.

The geographical areas identified are:

- Italy
- European Union (excluding Italy)
- European countries outside of the European Union
- Asia
- Africa
- America
- Oceania

Transfer prices between operating segments are defined under the same conditions as those applied to arm's length transactions.

The tables below contain economic segment information in relation to the disclosure obligations pursuant to IFRS 8.

Salini Group S.p.A. - IFRS 8

(Valori in Euro/000)	SEGMENT INFORMATION DECEMBER 2013								
	Italy	EU (excluding Italy)	Non-EU	Asia	Africa	America	Oceania	Total elimination of entries	Consolidated total
Revenues	627,339	574,691	156,844	390,987	850,382	866,063	3,063	(135,549)	3,333,820
Other revenues	33,876	6,771	333	7,197	10,886	18,381	4,579	9,818	91,841
Total Revenues	**661,215**	**581,462**	**157,178**	**398,184**	**861,268**	**884,444**	**7,642**	**(125,731)**	**3,425,661**
Costs of production	(522,833)	(529,774)	(129,214)	(325,814)	(548,462)	(608,317)	(9,233)	87,240	(2,586,409)
Value added	**138,382**	**51,688**	**27,964**	**72,370**	**312,806**	**276,126**	**(1,591)**	**(38,492)**	**839,253**
Personnel costs	(109,385)	(45,771)	(22,245)	(53,354)	(87,878)	(147,806)	(806)	7,803	(459,443)
Other operating costs	(35,252)	(3,222)	(584)	(2,308)	(6,119)	(18,073)	(22)	2,269	(63,313)
EBITDA	**(6,256)**	**2,694**	**5,134**	**16,709**	**218,809**	**110,247**	**(2,420)**	**(28,420)**	**316,497**
Depreciation and amortisation	(12,962)	(2,248)	(727)	(24,633)	(62,543)	(51,060)	(14)	1,674	(152,514)
Provisions									0
Write-downs	1,600	(1,574)	0	(6,383)	(236)	(9,737)	0	0	(16,330)
Costs capitalised for internal work	0	0	0	0	0	0	0	0	0
EBIT	**(17,619)**	**(1,128)**	**4,407**	**(14,308)**	**156,030**	**49,450**	**(2,434)**	**(26,746)**	**147,653**
Total of Financial Area and of Equity investments	476,983	16,478	(610)	(15,003)	(8,896)	(35,147)	(772)	(291,609)	141,422
Pre-tax profit/(loss)	**459,364**	**15,350**	**3,797**	**(29,311)**	**147,134**	**14,303**	**(3,206)**	**(318,355)**	**289,075**
Taxes	(37,342)	(4,574)	(1,611)	(2,381)	(10,299)	(2,036)	488	14,521	(43,234)
Profit/(loss) from continuing operations	**422,022**	**10,776**	**2,186**	**(31,692)**	**136,835**	**12,267**	**(2,719)**	**(303,834)**	**245,841**
Profit/(loss) from discontinued operations	(65,555)	0	0	0	0	0	0	(22,585)	(88,140)
Intercompany profit or loss elimination difference	0	0	0	0	0	0	0	0	0
Net Profit	**356,467**	**10,776**	**2,186**	**(31,692)**	**136,835**	**12,267**	**(2,719)**	**(326,419)**	**157,701**
Profit/(loss) attributable to minority interests	(5,403)	0	0	18	308	200	0	(4,366)	(9,244)
Profit/(loss) attributable to the Group	**361,871**	**10,776**	**2,186**	**(31,710)**	**136,527**	**12,067**	**(2,719)**	**(322,053)**	**166,944**

Reclassified statement of financial position

(Values in €/000)	SEGMENT INFORMATION DECEMBER 2013								
	Italy	EU (excluding Italy)	Non-EU	Asia	Africa	America	Oceania	Adjustments and eliminations	Total
Intangible assets	86,912	(84,046)	0	26	174	3,557	0	158,609	165,234
Property, plant and equipment and Investment property	47,331	12,439	4,425	67,295	234,575	160,437	36	(7,516)	519,021
Equity investments	1,527,260	(13,084)	0	0	0	21	0	(1,452,936)	61,261
Other non-current assets	19,487	955	1,285	140	3,469	5,382	0	902	31,621
Total fixed assets (A)	**1,680,990**	**(83,736)**	**5,710**	**67,461**	**238,219**	**169,397**	**36**	**(1,300,940)**	**777,137**
Inventories	19,346	444	0	12,244	152,528	59,454	0	0	244,016
Amounts due from clients	325,933	72,014	3,698	98,546	333,275	448,944	0	0	1,282,410
Amounts due to clients	(111,448)	(238,235)	(2,716)	(152,761)	(1,001,225)	(377,696)	0	0	(1,884,083)
Trade receivables	863,582	178,108	27,479	94,402	501,534	530,521	3,408	(564,518)	1,634,515
Other current assets	38,161	54,699	9,080	(75,329)	237,107	112,296	102	5,698	381,814
Net tax assets (liabilities)	108,477	(25,677)	(1,748)	1,812	(24,934)	48,396	741	(1,812)	105,254
Subtotal	**1,244,051**	**41,352**	**35,792**	**(21,087)**	**198,284**	**821,915**	**4,251**	**(560,632)**	**1,763,927**
Trade payables	(133,739)	(267,516)	(18,333)	(128,813)	(249,981)	(859,264)	(3,905)	484,268	(1,177,283)
Other liabilities	(199,640)	(3,764)	(2,838)	(9,090)	(15,592)	(74,860)	(140)	56,280	(249,644)
Subtotal	**(333,379)**	**(271,281)**	**(21,171)**	**(137,903)**	**(265,572)**	**(934,124)**	**(4,045)**	**540,548**	**(1,426,927)**
Operating Working Capital (B)	**910,672**	**(229,928)**	**14,622**	**(158,989)**	**(67,289)**	**(112,209)**	**206**	**(20,084)**	**337,000**
Non-current assets held for sale (C)	**655,288**	**0**	**0**	**0**	**0**	**0**	**0**	**(1,685)**	**653,604**
Non-current liabilities held for sale (D)	**(681,218)**	**0**	**0**	**0**	**0**	**0**	**0**	**263,157**	**(418,061)**
Employee benefits	(13,294)	(646)	0	(717)	(650)	(6,753)	0	0	(22,059)
Provisions for risks and charges	(276,638)	(2,048)	(554)	(1,393)	(5,899)	(5,687)	0	188,589	(103,629)
Total provisions (E)	**(289,932)**	**(2,693)**	**(554)**	**(2,111)**	**(6,548)**	**(12,439)**	**0**	**188,589**	**(125,688)**
Net Invested Capital (E=A+B+C+D+E)	**2,275,801**	**(316,358)**	**19,778**	**(93,639)**	**164,382**	**44,749**	**242**	**(870,963)**	**1,223,991**
(Values in €/000)									
Cash and cash equivalents	411,599	387,236	9,190	123,729	97,834	102,330	490	11	1,132,419
Current financial assets	457,255	131,939	0	1,465	69,665	2,022	0	(429,817)	232,529
Non-current financial assets	30,829	30,750	11	1,630	391	0	4	(14,687)	48,928
Current financial liabilities	(251,671)	(8,458)	(600)	(60,983)	(115,068)	(196,148)	(1,028)	192,109	(441,846)
Non-current financial liabilities	(1,017,937)	(167,875)	0	(1,867)	(69,983)	(43,341)	0	(2,737)	(1,303,740)
Net financial payables/receivables (F)	(369,924)	373,591	8,601	63,974	(17,161)	(135,136)	(534)	(255,120)	(331,708)
Shareholders' equity	**1,894,522**	**57,234**	**28,379**	**(29,665)**	**146,808**	**(93,586)**	**(291)**	**(1,304,243)**	**699,157**
Minority interests	11,353	0	0	0	413	3,199	0	178,160	193,124
Shareholders' equity (G)	1,905,875	57,234	28,379	(29,665)	147,221	(90,388)	(291)	(1,126,083)	892,282
Total Sources (H=F+G)	**2,275,799**	**(316,358)**	**19,778**	**(93,639)**	**164,382**	**44,749**	**242**	**(870,963)**	**1,223,990**
Totale Fonti (H=F+G)	**2.275.799**	**(316.358)**	**19.778**	**(93.639)**	**164.382**	**44.749**	**242**	**(870.963)**	**1.223.990**

8. Revenues

Revenues for the year came to a total of €3,425,661, up €2,210,781 over the previous year:

(Values in €/000)	31 December 2013	31 December 2012	Change
Revenues	3,333,820	1,174,185	2,159,635
Other revenues and earnings	91,841	40,695	51,146
Total Revenues	**3,425,661**	**1,214,880**	**2,210,781**

Operating revenues may be broken down as follows:

(Values in €/000)	31 December 2013	31 December 2012	Change
Works invoiced to clients	2,892,324	1,152,574	1,739,750
Sales revenues	340,768	21,611	319,157
Services	100,728	0	100,728
Total operating revenues	**3,333,820**	**1,174,185**	**2,159,635**

Work invoiced to clients includes contractual revenues deriving from production carried out during the year, measured using the stage of completion method. The contribution of the main contracts is disclosed in the notes on “amounts due from/to clients”.

The change of €2,159,635 was mainly attributable to the contribution of the Impregilo Group of €1,808,626. The increase in the volume of revenues relates to the Construction segment relating to the progress on the motorway work in Italy particularly regarding the work for the Pedemontana Lombarda motorway and the Milan outer east by-pass and the work for the construction of the High-speed/capacity Milan-Genoa Railway. This increase for the Construction segment was offset in the reduction in the revenues in the domestic area due to the substantial completion of contracts underway.

For activities abroad there was an increase in production in South America (Panama, Colombia) and also in Ukraine and Belarus (the latter recorded new acquisitions that will only come into full operation during 2014) which offset the reduction in turnover on the Venezuela, South Africa, United Arab Emirates and Romania contracts.

Other revenues and earnings came to a total of €91,841, as shown in the table below:

(Values in €/000)	31 December 2013	% of Revenues
Property income	464	0,0%
Release of provision for legal dispute risks	4.034	0,1%
Insurance reimbursements	2.476	0,1%
Gains on the disposal of property, plant and equipment	1.598	0,0%
Gains on disposals	16.248	0,5%
Revenues from national tax consolidation	81	0,0%
Other extraordinary third-party income	525	0,0%
Third party personnel services	877	0,0%
Other	65.538	1,9%
Total other revenues and earnings	**91.841**	

The Company realised a gain for the year of €17,846, consisting of about €1,598 from disposal of assets and €16,248 from the impact of the business combination with the Impregilo Group described in Section 6 Business Combinations.
Under the item “Other Revenues” the Company entered the amount €4,551, representing the amount awarded to it by the Council of State, which, in a ruling issued on 10 December 2013, filed on 20 February 2014, upheld the grounds for the appeal brought by ATI Salini S.p.A. (former Salini Costruttori S.p.A.) – Todini S.p.A, regarding the failure to award the planning and execution of the “Itinerario E 78 Grosseto-Fano - Tratta Grosseto-Siena (SS 223 di Paganico), dal km. 30+040 al km. 41+600” contract, for a tender amount of €217,783. The entry of this income item, supported by an appraisal by an external legal counsel that has assisted in the dispute, complies with the provisions of IAS 10 – Events after the reporting period - §3 and IAS 37 – Provisions, contingent liabilities and contingent assets – §35, as the Company considered the asset – and the consequent income – resulting from the above

ruling to be certain. The contribution of the Impregilo Group at 31 December 2013 was €52,812 and there was an increase in the items recovery of costs and prior year income mainly relating to the Construction segment, linked to the increase in activities carried out.

9. Cost of sales

The cost of sales amounts to €615,068 and is composed of:

(Values in €/000)	Year 2013	Year 2012	Change
Costs for raw materials, ancillary materials, consumables and supplies	639,191	214,149	425,042
Change in inventories of raw materials, ancillary materials, consumables and supplies	(24,123)	(29,674)	5,552
Total Cost of Sales	**615,068**	**184,475**	**430,593**

The increase in the cost of sales for raw materials of €430,593 was mainly attributable to the contribution of the Impregilo Group, which at 31 December 2013 came to €276,968.

10. Service costs

Service costs were equal to €1,971,341 as illustrated in the table below:

(Values in €/000)	Year 2013	Year 2012	Change
Service costs	1,884,180	716,844	1,167,339
Lease and rental expenses	87,829	39,928	47,901
Increase of fixed assets for internal works	(668)	(2,088)	1,420
Total Cost of Services	**1,971,341**	**754,684**	**1,216,657**

Cost of services increased by €1,167,339 and the Impregilo Group contributed €922,363. The breakdown of the item cost of services at 31 December 2013 is provided below:

	2013	% of revenues
Reversal of consortia costs	77,327	2.3%
Subcontracts	1,034,471	30.2%
Technical, administrative and legal consulting	240,713	7.0%
Maintenance	19,316	0.6%
Transport and customs	120,666	3.5%
Employee travel expenses and refunds	12,461	0.4%
Insurance	54,141	1.6%
Directors', statutory auditors' and independent auditors' fees	8,928	0.3%
Charge backs	111,208	3.2%
Other	204,283	6.0%
Total cost of services	**1,884,180**	

Subcontracts represented 30.2% of revenues and mainly related to the contribution of the Group.

11. Personnel costs

Personnel costs were equal to €459,443 as illustrated in the table below:

(Values in €/000)	Year 2013	% of Revenues
Wages and salaries	346,088	10.1%
Payroll costs	58,684	1.7%
Termination benefits	13,897	0.4%
Pensions and similar expenses	3,091	0.1%
Other costs	37,684	1.1%
Total personnel costs	**459,443**	

The geographical breakdown of personnel costs is as follows:

(Values in €)	2013	%
Italy	109,385	24%
EU excluding Italy	45,771	10%
Non-EU	22,245	5%
Asia	53,354	12%
Africa	87,878	19%
America	147,806	32%
Oceania	806	0%
Total Eliminations	(7,803)	(0)
Salini SpA Group - Geographical Area	**459,443**	

12. Amortisation, depreciation and write-downs

The cost of depreciation, amortisation and write-downs totals €168,844 and is composed of:

(Values in €/000)	December 2013	December 2012	Change
Amortisation of intangible assets	4,514	241	4,273
Depreciation of tangible assets	148,000	62,549	85,451
Write-down of current receivables and cash equivalents	16,091	1,174	14,917
Other write-downs of non-current assets	239	0	239
Total depreciation, amortisation and write-downs	**168,844**	**63,964**	**104,880**

The write-down of receivables at 31 December 2013, of €16,091, mainly relates to the contribution from the Impregilo Group of €9,655 and from the Kazakhstan branch of €6,383, the latter relating to prudent provisions made for receivables for advances to subcontractors.

13. Other operating costs

Other operating costs total €63,313 and are composed of:

(Values in €/000	December 2013	December 2012	Change
Allocation to Provisions	5,760	5,280	481
Other operating costs	57,552	3,660	53,892
Total Other Operating Costs	**63,313**	**8,940**	**54,373**

The allocation to provisions increased by around €481 compared to 31 December 2012, including €5 million relating to entries of the Impregilo Group partially offset by the reduction in provisions made by other companies of the Salini Group.

Other operating costs, amounting to €57,552, increase by around €54 million compared to 31 December 2012, including around €51 million relating to the entries of the Impregilo Group. The majority of the balance of this item is made up of prior year expenses, capital losses and other operating expenses.

14. Financial income and expenses

Financial income and expenses decreased by €72,508 during 2013, as shown in the table below:

(Values in €/000)	December 2013	December 2012	Change
Financial income	42,268	22,463	19,805
Financial expenses	(128,942)	(23,333)	(105,609)
Exchange gains/losses	24,360	11,064	13,296
Total financial income (expense)	**(62,314)**	**10,194**	**(72,508)**

Financial income

(Values in €/000)	2013	% of Total Revenues
Contributions/interest on financing	705	0.0%
Bank interest receivable	10,529	0.3%
Leases	278	0.0%
Income from equity investments	8,030	0.2%
Other revenues and earnings	22,726	0.7%
Total financial income	**42,268**	**1.2%**

Financial expenses

(Values in €/000)	2013	% of Total Revenues
Bank overdrafts and finance	49,716	1.5%
Bank loans	29,843	0.9%
Charges on bonds	839	0.0%
Bank fees	1,602	0.0%
Leases	8,586	0.3%
Factoring	2,441	0.1%
Other financial expenses	35,913	1.0%
Total interest and other fin. expenses	**128,942**	**3.8%**

Exchange rate gains (losses)

(Values in €/000)	2013	% of Total Revenues
Realised exchange gains	210,292	6.1%
Unrealised exchange gains	19,362	0.6%
Realised exchange losses	(154,843)	-4.5%
Unrealised exchange losses	(50,451)	-1.5%
Total exchange rate gains (losses)	**24,360**	**0.7%**

Financial expenses increased by around €20 million compared to 31 December 2012, of which €23 million relating to entries of the Impregilo Group. In particular, we note the reduction in income from equity investments of around €10 million due to the Impregilo dividend for the year 2012; the increase in interest receivable, of around €4 million, on correspondent current accounts with group companies and the increase in penalty interest, of around €7 million.

Financial expenses increased by around €106 million compared to 31 December 2012, of which €54 million relating to entries of the Impregilo Group. The remainder was due to greater interest payable to banks of around €34 million; greater lease interest payable of around €3 million and other financial expenses.

Exchange gains and losses increased by €13 million compared to 31 December 2012. The Impregilo Group contributed €38 million. Exchange gains and losses from currency translation differences (unrealised) show the adjustment of foreign currency receivables and payables to year-end exchange rates.

15. Income/(expenses) from equity investments

(Values in €/000)	December 2013	% of Total Revenues
Revaluations of equity investments	294,025	8.6%
Write-downs of equity investments	(90,289)	-2.6%
Total Equity Investments	203,736	5.9%

For more information see the note on equity investments and the section on business combination.

16. Income tax

Income taxes are determined using the tax rate projected to be applicable to annual profits on the basis of an updated estimate on the reporting date. At 31 December 2013 deferred taxes totalled €121,190, while payables for deferred tax liabilities totalled €74,001 with a net balance of €47,189, of which the impact for the year 2013 amounted to €(16,654).
Details of the current, deferred and prepaid taxes are provided below:

(Values in €/000)	December 2013	December 2012	Change
Current regional income tax (IRAP) for the period	7,910	2,077	5,833
Current corporate income tax (IRES) for the period	48,554	6,792	41,752
Foreign current taxes	1,316	9,612	(8,296)
Prior period taxes	2,108	5,775	(3,667)
Current taxes	59,888	24,256	35,632
Deferred tax (income) expense	(16,654)	11,725	(28,379)
Total taxes	**43,234**	**35,981**	**7,253**

The following table contains a reconciliation of theoretical tax:

(Values in €/000)	31 December 2013		
Pre-tax profit (loss)	**289,075**		
Theoretical taxes		(79,496)	27.5%
Taxes on net permanent differences		30,942	
Effective corporate income tax (IRES) (A)		**(48,554)**	**16.8%**
Regional income tax (IRAP) and other taxes (B)		**(11,334)**	**3.9%**
Actual income tax for the period (A+B)	**(59,888)**		**20.7%**
Deferred tax balance	**16,654**		
Net profit/(loss)	**245,841**		

The following table contains a breakdown of deferred tax assets and liabilities:

A) Recalculation of taxes upon reversal of deductible temporary differences (positive temporary differences)

Items	31 December 2012	Income statement change	Balance sheet change	31 December 2013
Expenses for other years	*0*	*(881)*	*1,015*	*134*
FTA	973	6,201	1,309	8,482
Statutory depreciation/amortisation higher than the admissible tax rate	8,804	(3,814)	42,826	47,816
Provisions for risks and write-downs	1,231	0	(1,231)	0
Goodwill	6,813	4,009	(4,449)	6,373
Maintenance exceeding ceiling	2,007	720	(2,086)	640
Unrealised exchange losses	0	10,932	6,634	17,566
Consolidation adjustments	2,186	1,751	782	4,718
Other				
Totale A	**22,015**	**18,917**	**44,799**	**85,730**

B) Recalculation of taxes upon reversal of taxable temporary differences (negative temporary differences)

Items	31 December 2012	Income statement change	balance sheet change	31 December 2013
Revenues from other years				
FTA	0	(569)	10,451	9,882
Capital gains instalments	990	(153)	(377)	459
Uncollected late-payment interest	523	0	5,530	6,053
Financial leasing	5,537	0	(5,537)	0
Tax on deferred revenues from contracts	19,810	2,413	(272)	21,952
Other	662	574	(1,041)	195
Total b	**27,521**	**2,266**	**8,754**	**38,541**
Prepaid tax (a - b)	**(5,507)**	**16,651**	**36,045**	**47,189**

17. Notes on the statement of comprehensive income

As shown in the statement, comprehensive income for the period differs from net income for the period by €(1,585), of which €140 attributable to non-controlling interests; this is due to:

- translation differences of foreign assets totalling €(2,962) (these mainly relate to differences on translation into Euros of the financial statements of the subsidiaries of Impregilo and of the Parent, the functional currency of which is different from the Group's functional currency);
- actuarial gains/(losses) on employee benefits of €(1,080).
- recognition of a change in fair value of derivatives designated as cash flow hedges, limited to the effective portion of €2,458, held by Impregilo S.p.A. and the Parent.

18. Property, plant and equipment

These total €519,021, an increase compared with the amount at 31 December 2012 of €188,774. The breakdown and changes in this item are shown below.

(Values in €/000)	Land and buildings	Plant and machinery	Vehicles	Industrial and commercial equipment	Other assets	Leased assets	Work in progress	Total
Figures at 31 December 2012	**37,648**	**268,279**	**121,852**	**68,750**	**20,114**	**220,762**	**12,356**	**749,761**
Impregilo Acquisition 1 April 2013	**75,784**	**234,398**	**84,894**	**59,578**	**33,720**	**85,507**	**7,143**	**581,024**
Exchange rate adjustment	(4,694)	(22,508)	(5,660)	(2,187)	(408)	(4,741)	(448)	(40,644)
Investments	9,815	40,947	17,113	18,357	2,582	57,423	5,264	151,501
Disposals	(2,698)	(21,736)	(7,112)	(6,153)	(1,198)	(34)	(10,557)	(49,487)
Repurchase of leased assets	0	2,492	0	335	(1)	(2,951)	0	(125)
Reclassification under non-current assets held for sale	(2,843)	(26,404)	(11,871)	(9,088)	(4,656)	(95,704)	(467)	(151,033)
Other changes	(5,363)	(31,566)	(1,844)	824	(42)	(2,130)	(3,330)	(43,451)
Historical cost at 31 December 2013	**107,648**	**443,903**	**197,373**	**130,416**	**50,110**	**258,132**	**9,962**	**1,197,544**
Figures at 31 December 2012	**(11,368)**	**(172,045)**	**(82,789)**	**(50,875)**	**(13,125)**	**(89,311)**	**0**	**(419,514)**
Impregilo Acquisition 1 April 2013	**(39,930)**	**(124,250)**	**(47,743)**	**(29,175)**	**(26,732)**	**(31,875)**	**0**	**(299,704)**
Exchange rate adjustment	1,675	7,049	2,912	1,543	(13)	5,765	0	18,930
Depreciation and amortisation	(9,138)	(55,153)	(19,937)	(23,642)	(3,830)	(36,300)	0	(148,000)
Write-downs/Reversals	0	(189)	(50)	0	0	0	0	(239)
Disposals	803	16,755	5,391	4,391	1,121	15	0	28,476
Repurchase of leased assets	0	(1,623)	0	(249)	0	2,039	0	167
Reclassification under non-current assets held for sale	1,705	16,284	8,516	7,704	3,883	70,055	0	108,148
Other changes	3,217	26,873	555	1,304	232	(22)	0	32,159
Exchange rate adjustment	57	565	161	251	22	0	0	1,055
Accumulated depreciation at 31 December 2013	**(52,979)**	**(285,734)**	**(132,985)**	**(88,749)**	**(38,442)**	**(79,633)**	**0**	**(678,522)**
Net amount at 31 December 2012	**26,279**	**96,234**	**39,063**	**17,875**	**6,989**	**131,451**	**12,356**	**330,247**
Net amount at 31 December 2013	**54,669**	**158,169**	**64,388**	**41,668**	**11,668**	**178,498**	**9,962**	**519,021**

The most significant changes for the period can be summarised as follows:

- the increase in the item "Land and buildings" in the net amount of about €28,390 mainly to the consolidation of the subsidiary Impregilo Group, which contributed a net amount of €35,854.
- the net increase in the items "Plant and machinery" and "Vehicles" of about €87,260 mainly refer to the consolidation of the subsidiary Impregilo Group, which contributed a net amount of €147,299. The

overall decrease, net of Impregilo's contribution, was the combined result of capital expenditure for foreign contracts and in particular of the Impregilo Group in the Construction segment for hydroelectric plants in Colombia, for widening the Panama Canal and infrastructure work in the United States related to the construction of the Gerald Desmond Bridge, and depreciation provisions for the period;

- net increase in the item "Industrial and commercial equipment" totalling €23,793 of which €30,403 related to the consolidation of the Impregilo Group.

Total depreciation of the period came to 145,998. Disposals during the period mainly consisted of disposals of assets related to contracts being wound up; These same items include €178,498 in production assets under finance leases net of the related accumulated depreciation, classified under Property, Plant and Equipment in accordance with IAS 17. The balance of fixed assets under construction is mainly due to new fixed assets and the inclusion of the production cycle of capital equipment designed for foreign work sites.

19. Intangible assets

The balance of this item is €165,234. The details of these assets are shown below:

(Values in €/000)	Start-up and expansion costs	Research, development and advertising costs	Intellectual property rights	Concessions, licences and trademarks	Rights to infrastructure under concession	Contract acquisition costs	Other	Assets in course of construction and payments on account	Goodwill	Total
Figures at 31 December 2012	**0**	**55**	**1,271**	**291**	**0**	**0**	**0**	**265**	**2,039**	**3,922**
Impregilo Acquisition 1° April 2013	**0**	**0**	**3,241**	**0**	**35,865**	**46,731**	**56,386**	**0**	**0**	**142,223**
Purchases and capitalised costs	0	0	325	6	2,259	15,004	548	0	0	18,142
Disposals	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	(197)	0	0	0	0	0	0	(197)
IFRS 5 reclassifications	0	0	0	0	0	0	0	(265)	(2,039)	(2,304)
Exchange rate gains (losses)	0	0	(111)	0	(1,483)	0	20	0	0	(1,574)
Change in consolidation scope	0	0	0	0	39,827	0	0	0	0	39,827
Other changes	0	(55)	0	0	0	0	0	0	0	(55)
Historical cost at 31 December 2013	**0**	**0**	**4,529**	**297**	**76,468**	**61,735**	**56,954**	**0**	**0**	**199,984**
Figures at 31 December 2012										
Impregilo Acquisition 1 April 2013	**0**	**0**	**(1,132)**	**(196)**	**0**	**0**	**0**	**0**	**0**	**(1,328)**
Depreciation and amortisation	0	0	(2,342)	0	(11,328)	(14,102)	(2,451)	0		(30,223)
Disposals	0	0	(369)	(20)	(1,400)	(2,685)	(40)	0	0	(4,514)
Reclassifications	0	0	0	0	0	0	0	0	0	0
Exchange rate gains (losses)	0	0	183	0	0	0	0	0	0	183
Change in consolidation scope	0	0	68	0	1,065	0	0	0	0	1,133
Other changes	0	0	0	0	0	0	0	0	0	0
Amortisation reserve at 31 December 2013	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	0	**0**	**(3,592)**	**(217)**	**(11,663)**	**(16,787)**	**(2,491)**	**0**	**0**	**(34,750)**
Net amount at 31 December 2012										
	0	**55**	**139**	**94**	**0**	**0**	**0**	**265**	**2,039**	**2,593**
Net amount at 31 December 2013	**0**	**0**	**937**	**80**	**64,805**	**44,948**	**54,463**	**0**	**0**	**165,234**

The net increase of €162,641 compared with the balance transferred at 31 December 2012 is due to the consolidation of Impregilo Group, (see Section 6 of this Document for more details).
Contract acquisition costs include considerations paid for the purchase the business units railway high speed/capacity by Impregilo in previous years, with a carrying amount as at 31 December 2013 of €44.9 million. These assets have a finite life and are amortised in line with the stage of completion of the related contracts calculated using the cost to cost method.
On 19 September 2013 an additional 10% stake was acquired in Consorzio COCIV, the General Contractor for the construction of the Terzo Valico dei Giovi section of the high speed/capacity Milan-Genoa railway line.

20. Equity investments

The analysis of equity investments is as follows:

(Values in €/000)	31 December 2013	31 December 012	Change
Investments in associates, subsidiaries and joint ventures	54,940	580,307	(525,367)
Other equity investments	6,321	1,365	4,956
Total equity investments	**61,261**	**581,672**	**(520,411)**

The change in investments in associates, subsidiaries and joint ventures amounted to €(525,367) and mainly related to:

- a decrease of €570,459 due to the consolidation of the Impregilo Group (see Section 6 of this Document for more details);
- an increase of €38,811 contributed by the consolidation of the Impregilo Group at 1 April 2013;
- a decrease of €9,543 attributable to the change in the consolidation method for the concessionaire engaged in the design, construction and management of the Broni-Mortara Regional Motorway, which is owned by Impregilo S.p.A. At the end of May, control was obtained in this company following the acquisition of a further stake of 19.8%, thereby bringing Impregilo's total stake to 59.8%;
- an increase of €11.3 million related to the capital injections by Impregilo S.p.A. in relation to the SPE that will develop the connector between the Port of Ancona and the A14 and €25.6 million for the new capital injection in relation to the concession for the new Milan outer east by-pass;
- an increase of €1,129 related to the establishment of the joint stock company Gaziantep Hastane Saglik Hizmetleri Isletme Yatirim Anonim Sirketi. This company will be the concessionaire of the contract for the construction and subsequent management of a hospital in Turkey;
- a fair value adjustment of €14.5 million recognised in the PPA; see section 6 on business combinations for more details;
- other changes including changes in the translation reserve amounting to €1.9 million.

Other equity investments

The change of €4,956 was mainly due to:

- an increase of €49,979 contributed by the consolidation of the Impregilo Group at 1 April 2013;
- a decrease relating to the sale of the equity investments of Impregilo S.p.A. in the companies Tangenziali Esterne di Mila million and Tangenziale Esterna S.p.A. ("TE") equal to 17.77% of the share capital at a price of €39.1 million both to Itinera S.p.A. (Gavio Group);
- the sale of the equity investment of ASTM equal to €1,524 (with a book value of €1,126, and €398 posted to the income statement).

The impairment test of the item "Equity investments", carried out also to assess any reversals of previously recognised impairment losses, has been carried out on a case–by-case basis, considering the specific objectives pursued by each investee during the performance of their operating activities.

A statement of changes in equity investments during the period is appended to these explanatory notes (attachment 1).

21. Financial assets

Non-current financial assets

Non-current financial assets total €48,928, as shown in the following table:

(Values in €/000)	31 December 2013	31 December 2012	Change
Non-current receivables from subsidiaries > 12	0	270	(270)
Non-current receivables from associates > 12	0	9,850	(9,850)
Non-current receivables from other group companies > 12	81	3,374	(3,292)
Non-current receivables from others > 12	37,980	15,032	22,948
Other non-current financial assets	10,867	0	10,867
Non-current financial assets	**48,928**	**28,525**	**20,403**

The changes during the period mainly relate to:

- increases of €33,431 for receivables from others and in particular resulting from the consolidation of Impregilo, mainly consisting of investments in guaranteed-return securities which mature after one year as well as the receivable (amounting to €17.4 million) resulting from the sale to third parties of the equity investment in Tangenziale Esterna S.p.A., which will be settled by 31 October 2016;
- a fair value adjustment of € 13 million recognised in the PPA; see section 6 on business combinations for more details.

Current financial assets

Current financial assets at 31 December 2013 amounted to €232,530 composed primarily of:

- €65 million in the form of a receivable for an interest-bearing loan to the parent company Salini Costruttori S.p.A.. This loan, which was granted in 2012 and funded with the third tranche of the tender offer loan called “Tranche A3” launched in 2013, is aimed at enabling the parent company to repay its medium- to long-term debt deriving in particular from a loan agreement signed on 5 August 2009 with Centrobanca S.p.A. and a loan agreement signed on 29 July 2010 with Intesa Sanpaolo S.p.A.; for comparison purposes, in the comparative figures for 2012 the receivable outstanding from Salini Costruttori (€65 million) has been restated under current financial assets rather than under trade receivables;
- €83 million related to current accounts with the parent company Salini Costruttori S.p.A. classified under current financial assets;

- €63.4 million relating to the receivable resulting from the sale of the equity investment in the Chinese-registered company Shanghai Pucheng Thermal Power Energy Co. Ltd. ("Shanghai Pucheng") to third parties by Impregilo International Infrastructures N.V.; an equity investments, amounting to 50% of the equity of Shanghai Pucheng, engaged in the waste treatment industry.
- Derivative assets include the reporting-date fair value of currency hedges.

The following tables set out the characteristics of the derivative assets existing at 31 December 2013, showing the company owning the contract and the related fair value at the reporting date:

Asset-based fair value With the recording of fair value through profit or loss

Company	Agreement date	Maturity date	Currency	Notional amount	Fair Value (€/000)
Impregilo S.p.A.	20/11/2013	20/02/2014	USD	8,772	131
Impregilo S.p.A.	29/11/2013	28/02/2014	USD	15,678	154
Impregilo S.p.A.	22/10/2013	22/01/2014	USD	2,810	13
Impregilo S.p.A.	29/11/2013	28/02/2014	USD	6,320	62
Impregilo S.p.A.	06/12/2013	06/06/2014	USD	2,520	26
Impregilo S.p.A.	11/12/2013	11/06/2014	USD	1,580	6
Fisia Babcock GmbH	03/07/2013	15/05/2014	USD	4,500	184
Fisia Babcock GmbH	03/07/2013	15/07/2014	USD	5,300	216
Fisia Babcock GmbH	03/07/2013	29/12/2014	USD	3,000	122
Fisia Babcock GmbH	03/07/2013	17/02/2014	USD	2,468	101
Total					**1,016**

22. Other assets

Other non-current assets

Other non-current assets at 31 December 2013 amounted to €31,621. The acquisition of the Impregilo Group resulted in a carrying amount four this item of €23,955.

This item includes receivables for various debtors due after one year and receivables from others for advances to third-party subcontractors and for miscellaneous security deposits.

Other current assets

Other current assets total €381,814 and are mainly composed of:

(Values in €/000)	Year 2013	Year 2012	Change
Advances to suppliers	**193,746**	**127,929**	**65,817**
Receivables from other companies	**19,735**	**22,069**	**(2,334)**
Accrued income and deferred insurance charges	36,724	4,959	31,765
Lease Payments on account	892	575	317
Other accrued income	2,675	0	2,675
Miscellaneous consulting prepayments	100	144	(44)
Subscription prepayments	4	23	(19)
Other prepayments	28,938	17,014	11,924
Prepayments and Accrued Income	**69,333**	**22,715**	**46,618**
Miscellaneous debtors	106,351	4,381	101,970
Provision for impairment losses on other receivables	(16,523)	(7,547)	(8,976)
Receivables from employees	1,331	436	895
Receivables from social security institutions	3,074	2,532	542
Receivables from others for security deposits	51	34	17
Other receivables from associate companies	0	131	(131)
Other receivables from associate companies	347	32	315
Other receivables from parent companies	4,369	9,178	(4,809)
Other	**99,000**	**9,176**	**89,824**
Other current assets	**381,814**	**181,889**	**199,925**

The Impregilo Group, which was fully consolidated on 1 April 2013, resulted in the absorption of other current assets totalling €247 million. This item mainly comprises FIBE's receivables, classified under miscellaneous debtors, of € 71.3 million from the public bodies involved in managing the waste emergency in Campania. See the section on "Non-current assets held for sale" in the Directors' report for more information about this complicated situation and the directors' related assessments.
Miscellaneous debtors also includes an amount of €.3 million for an interesting bearing restricted deposit, held with a leading financial institution, for the purchase of shares of the company Collegamenti Integrati Veloci – C.I.V. S.p.A, concluded with the agreement signed on 25 November 2013 and subject to certain conditions precedent.
Miscellaneous debtors also includes the claims for compensation due to Impregilo S.p.A. from the original lessor of the building currently housing its registered office following the outcome of the dispute with the lessor of the Sesto San Giovanni (Milan) building where Impregilo had its registered office until 2009. The latter lessor had challenged the existence of just cause which Impregilo cited as the reason for its early termination of the lease, originally due to expire in 2012. The lessor claimed its right to the entire lease payment, including default interest, from the date of termination to the original expiry date. On the other hand, the lessor of the building in which Impregilo currently has its registered office had signed an agreement with Impregilo whereby, should a dispute arise with the previous lessor and should this dispute give rise to a payable for Impregilo of more than € 8 million, it would cover the sum exceeding € 8 million. Given that, after the first stage of the dispute, Impregilo was found to owe the lessor of the Sesto San Giovanni building € 14.7 million, it has recognised € 6.7 million

(being the compensation obligation described above) as a receivable in its statement of financial position at 31 December 2012.
Receivables from other companies of € 19,735 million mainly included receivables from partners Acciona and Ghella S.p.A. in the temporary partnership established with Salini S.p.A. (former Salini Costruttori S.p.A.) to execute the TAV/San Ruffillo contract amounting to €18,625.
Advances to suppliers decreased by € 65.8 million compared to 31 December 2012, including a reduction for the Construction segment (€40.4 million) due to utilisation of advances paid in previous years for Impregilo's Panama, Colombia, Venezuela and Libya contracts. The additional decreases mainly related to Salini, in particular the Kazakhstan branch (for €11,053), the Ethiopia branch (for €5,503) and Italy (for €1,366), partially by offset by the increase for the Romania branch (for €2,176) and the Libya branch (for €1,202).
Prepayments and accrued income, amounted to a total of €69.3 million. The item mainly consisted of commissions on sureties and insurance which will be recognised in profit or loss in future periods based on the stage of completion of the related contracts. The change is recognised during the year was attributable to the absorption of the Impregilo Group at 1 April 2013.

23. Inventories

Inventories total €244,016, as shown in the following table:

(Values in €/000)	Year 2013	Year 2012	Change
Raw materials, ancillary materials and consumables	225,450	167,646	57,804
Finished products and goods for resale	4,478	441	4,037
Real estate projects	14,088	0	14,088
Assets under const. and Prepayment on account	0	0	0
Total inventories	**244,016**	**168,088**	**75,928**

The geographical breakdown of the item is as follows:

(Values in €/000)	31 December 2013	%
Italy	19,346	8%
EU excluding Italy	444	0%
Non-EU	0	0%
Asia	12,244	5%
Africa	152,528	63%
America	59,454	24%
Oceania	0	0%
Total Eliminations	0	0%
Salini SpA Group - Geographical Area	**244,016**	

The acquisition of the Impregilo Group on 1 April 2013 resulted in the full absorption of €83,500 for the inventories of raw materials, finished products and payments on account.
The largest items and changes occurring during the period for "Inventories" are broken down below:

- raw materials, ancillary materials and consumables rose by €57,804 and, more specifically, the acquisition of Impregilo contributed a net amount of €64,934. This item is mainly made up by materials and goods for resale to be used in the Impregilo Group's foreign projects in the construction segment in Venezuela, Colombia, Panama and the United States. We also note the decrease of €(30,154) due to the reclassification of the inventories at 31 December 2013 of the Todini Group in accordance with IFRS 5. The remaining change of €23,024 was mainly due to: the decrease in procurement in Uganda, by €1.5 million, due to the closing of contracts in Kazakhstan, by €4.9 million, due to the progressive approach towards the conclusion of the works; the increase in procurement in Ethiopia, by €26.5 million, due to the full operation of the existing contracts and the increase in procurement in Sierra Leone, by €1.6 million, due to the start-up during 2013 of the Matatoka-Sefadu contract and variation orders on the already existing contracts;
- real estate projects, originating exclusively from the acquisition of Impregilo, amounting to €14.1 million at 31 December 2013, mainly relate to the real estate project for a net value of €11.6 million (net of the related allowance of €7.8 million) for the construction of a trade point in Lombardy. Although the project had not yet been fully launched at the reporting date, considering the current zoning provisions implemented by the relevant authorities, the directors deemed its carrying amount adequate, based also on an appraisal prepared in 2013 by an independent expert.

24. Amounts due from clients/amounts due to clients

The current assets of the statement of financial position include the item "Amounts due from clients" which at 31 December 2013 stood at €1,282,410, an increase on the balance of €657,705 at 31 December 2012.
The acquisition of the Impregilo Group on 1 April 2013 resulted in the full absorption of €876,186.
The table below shows the amount of work in progress measured according to the percentage of completion method, net of actual or estimated losses at the reporting date and progress billing:

(Values in €/000)	31 December 2013	31 December 2012	Change
Contract works in progress	16,025,072	6,519,077	9,505,994
Provisions for risks on works in progress	(149,318)	(1,679)	(147,638)
Prepayments from clients	(14,593,345)	(5,892,693)	(8,700,653)
Total amounts due from clients	**1,282,409**	**624,705**	**657,703**

The increase for the period was for work performed by the Impregilo Group in relation to railway projects in Venezuela, work for the widening of the Panama Canal, lots 5 and 6 of the A3 Salerno-Reggio Calabria motorway, work related to hydroelectric plants in Colombia, work related to the Orastie-Sibiu motorway in Romania and the Cultural Centre Project of the subsidiary Salini Nigeria Ltd.

Contract work in progress of the Construction segment mainly relates to railway work in Venezuela (€230.7 million, with production of €173.6 million), work on Lots 5 and 6 of the A3 Salerno-Reggio Calabria motorway (€73.1 million, with production of €106 million), work to widen the Panama Canal (€167.0 million, with production of €354.2 million), work on the hydroelectric plants in Colombia (€47.8 million, with production of €241.1 million), work on the Orastie-Sibiu motorway in Romania (€22.2 million, with production of €36 million) and work on the Red Line North Underground in Qatar (€9.0 million, with production of €9.0 million).
The Construction segment's contract work in progress includes € 61.8 million for the nearly completed contracts of Imprepar S.p.A..
With regard to the ongoing railway projects in Venezuela, the company does not consider there to be a probable risk regarding the recovery of the assets being used, although recovery normally takes much longer than in other geographical segments. The contracts are of a strategic nature for the country and the current contractual relationships reasonably allow the Group to assume that the assets will be realised, as reflected in its measurement of the individual contracts.
Reference should be made to the Directors' report (the section on risk areas for the Construction segment) for details of the Bridge crossing the Messina Strait and roadway and railway connectors from Calabria to Sicily. At the reporting date, contract work in progress is worth €21.2 million.
As disclosed in earlier sections of these notes about the Group's operations in Libya, contract work in progress in this country amounts to €103.6 million.
Contract work in progress of the Engineering & Plant Construction segment mainly relates to the Kuwait and United Arab Emirates desalination plants which had nearly been completed in 2012.

The following table contains an analysis of the geographical breakdown of the items:

(Values in €/000)	31 December 2013	31 December 2012	Change
Italy	325,933	89,568	236,365
EU (excluding Italy)	51,334	0	51,334
Non-EU	24,377	0	24,377
Asia	98,546	46,942	51,603
Africa	333,275	488,195	(154,920)
North America	0	0	0
South America	448,944	0	448,944
Oceania	0	0	0
Total amounts due from clients	**1,282,409**	**624,705**	**657,703**

The following table also shows the contribution by business segment:

(Values in €/000)	31 December 2013	31 December 2012	Change
Construction	1,257,997	624,706	633,291
Engineering & Plant Construction	24,412	0	24,412
Total amounts due from clients	**1,282,409**	**624,706**	**657,703**

Amounts due to clients within 12 months, shown in the statement of financial position under current liabilities, totals €1,249,416, up by €830,880 compared with the balance transferred at 31 December 2012.
This item breaks down as follows:

(Values in €/000)	31 December 2013	31 December 2012	Change
Contract works in progress	(6,851,187)	(1,222,069)	(5,629,118)
Provisions for risks on works in progress	(9,283)	261	(9,544)
Progress Payments from clients	7,182,909	1,372,829	5,810,080
Contractual advances within 12 months	926,977	267,515	659,462
Total amount due to clients within 12 months	**1,249,416**	**418,536**	**830,880**

Contract work in progress recognised under liabilities is the negative net balance, for each contract, of work performed to date and progress billings.
The Construction segment negative balance relates mainly to the contracts for Lake Mead (USA) (€44.5 million, with production of €47.7 million); the San Francisco central subway (USA) (€7.1 million, with production of €34.7 million); the Gerald Desmond Bridge in California (USA) (€16.6 million, with production of €15.7 million); and Lots 2 and 3 of the Abu Dhabi hydraulic tunnel (€11.0 million, with production of €74.7 million).
The contractual advances mainly relate to the Construction sector and specifically, to the widening of the Panama Canal (€218.3 million); Colombia (€56.1 million); Saudi Arabia (€69.5 million); Qatar (€32.1 million); and Venezuela (€6.2 million). The item also includes advances of €162.5 million, received for the operations in Libya (more details regarding the situation in Libya are provided above in these Explanatory notes.
The Engineering & Plant Construction negative WIP balance relates to progress (production net of progress payments and advances) on FISIA Babcock's contracts in the waste-to-energy sector and FISIA Italimpianti's contract in Qatar.

The following table contains an analysis of the geographical breakdown of the items:

(Values in €/000)	31 December 2013	31 December 2012	Change
Italy	111,448	147	111,301
EU (excluding Italy)	79,279	0	79,279
Non-EU	86,953	81,577	5,375
Asia	136,738	21,452	115,286
Africa	457,302	315,360	141,942
North America	73,458	0	73,458
South America	304,239	0	304,239
Total current amounts due to clients	**1,249,416**	**418,536**	**830,880**

The following table also shows the contribution by business segment:

(Values in €/000)	31 December 2013	31 December 2012	Change
Construction	1,180,924	418,536	762,388
Engineering & Plant Construction	68,492	0	68,492
Total current amounts due to clients	**1,249,416**	**418,536**	**830,880**

Contractual advances

(Values in €/000)	31 December 2013	31 December 2012	Change
Contractual advances after 12 months	634,666	679,819	(45,153)
Total current amount due to clients after 12 months	**634,666**	**679,819**	**(45,153)**

The most significant amounts within contractual advances after 12 months include Etiopia GERDP (€392 million), CMT Cityringen (€75 million), Salini Nigeria (€143 million), and Salini Malaysia (€16 million).

The following table contains an analysis of the geographical breakdown of the items:

(Values in €/000)	31 December 2013	31 December 2012	Change
Non-EU	74,720	120,093	(45,373)
Asia	16,023	3,295	12,728
Africa	543,923	556,431	(12,508)
Total non-current amounts due to clients	**634,666**	**679,819**	**(45,153)**

The following table also shows the contribution by business segment:

(Values in €/000)	31 December 2013	31 December 2012	Change
Construction	634,666	679,819	(45,153)
Engineering & Plant Construction	0	0	0
Total non-current amounts due to clients	**634,666**	**679,819**	**(45,153)**

25. Trade receivables

Trade receivables totalled €1,634,515, as shown in the following table:

(Values in €/000)	Year 2013	Year 2012	Change
Receivables from clients	1,492,860	483,013	1,009,847
Receivables from parent companies	4,774	1,058	3,716
Receivables from subsidiaries	173	53	120
Receivables from associate companies	239,351	16,037	223,314
Provision for impairment losses on trade receivables	(42,526)	(9,464)	(33,062)
Provision for write-down of default interest	(60,117)	(12)	(60,105)
Trade receivables	**1,634,515**	**490,685**	**1,143,830**

The breakdown of trade receivables by business segment is provided below:

(Values in €/000)	31 December 2013	31 December 2012	Change
Construction	1,370,282	490,685	879,597
Engineering & Plant Construction	17,744	0	17,744
Concessions	19,688	0	19,688
FIBE	226,801	0	226,801
Trade receivables (after provisions)	**1,634,515**	**490,685**	**1,143,830**

The following table contains a geographical breakdown of the aforementioned receivables:

(Values in €/000)	31 December 2013	31 December 2012	Change
Italy	688,209	89,971	598,238
EU (excluding Italy)	13,536	1,411	12,125
Non-EU	15,692	22,847	(7,155)
Asia	99,964	89,784	10,180
Africa	439,485	286,220	153,265
North America	29,838	0	29,838
South America	345,784	19	345,765
Oceania	2,007	433	1,574
Trade receivables (after provisions)	**1,634,515**	**490,685**	**1,143,830**

The acquisition of the Impregilo Group on 1 April 2013 resulted in the full absorption of €1,168,118 of trade receivables after the provision for impairment losses on trade receivables.
The figure for receivables from clients relates to amounts due from clients for invoices issued and for work performed and approved by clients but still to be invoiced. As can be seen in the table above, the overall change of €1,143,830 in this item reflects the consolidation of the Impregilo Group. The change in this item, net of the acquisition, would have been a decrease of 24,288, mainly relating to the progress on the main contracts.
Receivables from subsidiaries and associates mostly arise on commercial and financial transactions with companies not consolidated by the Group. In particular, this item also includes € 226.8 million due to FIBE from the Campania municipalities for its management services provided under contract until 15 December 2005 and the subsequent transition period. See the section on “Non-current assets held for sale” in the Directors’ report for more information about this complicated situation and the directors’ related assessments.

The provision for write-down of default interest amounting to €60,117 at 31 December 2013 reflects the acquisition of the Impregilo Group, which contributed an amount of €61,533 on 1 April 2013. The table below shows the changes in this provision:

(Values in €/000)	Balance at 31 December 2012	Balance at 1 April 2013	Provisions	Balance Sheet use of the provision	Balance at 31 December 2013
For receivables from clients	12	61,533	0	(1,428)	60,117
For receivables from other clients	0	0	0	0	0
Total Provision for Default interest	**12**	**61,533**	**0**	**(1,428)**	**60,117**

The provision for impairment losses had a balance at the end of the year of €42,526. This provision increased by €36,055 during the period as shown in the table below:

(Values in €/000)	Balance at 31 December 2012	Balance at 1 April 2013	IFRS 5 reclassifications	Allocation to provisions	Balance Sheet use of the provision	Release of provision to Income Statement	Change in consolidation scope	Reclassifications and exchange differences	Balance at 31 December 2013
For receivables from clients	5,936	33,145	(5)	13,752	(5,944)	(4,268)	0	(152)	42,464
For receivables from other clients	3,528	0	(2,988)	53	(501)	(30)	0	0	62
Total Provision for impairment losses on receivables	**9,464**	**33,145**	**(2,993)**	**13,805**	**(6,445)**	**(4,298)**	**0**	**(152)**	**42,526**

26. Tax receivables

These total €222,166, representing an increase of €126,553 compared with 2012:

(Values in €/000)	Year 2013	Year 2012	Change
Indirect taxes	**136,657**	**72,799**	**63,858**
VAT	107,560	72,166	35,394
Other indirect taxes	29,097	633	28,464
Direct taxes	**85,510**	**22,814**	**62,695**
Regional Income tax (IRAP)	1,877	1,698	179
Corporate income tax (IRES)	33,999	1,433	32,566
Other direct taxes	49,634	19,683	29,951
Total Tax receivables	**222,166**	**95,614**	**126,553**

The 31 December 2013 balance mainly consists of:

- direct tax assets for excess taxes paid in previous years, which the group has correctly claimed for reimbursement and which bear interest;
- foreign direct tax assets for excess taxes paid abroad by the foreign group companies which will be recovered as per the relevant legislation.

A breakdown of contract tax receivables by business segment is provided below:

(Values in €/000))	December 2013	December 2012	Change
Italy	164,973	9,612	155,362
EU excluding Italy	547	64	483
Non-EU	2,123	48,780	(46,657)
Asia	1,950	7,881	(5,931)
Africa	51,350	29,198	22,152
America	1,183	58	1,125
Oceania	40	21	19
Total tax receivables	**222,166**	**95,614**	**126,553**

Other indirect taxes include withholdings of € 7.8 million paid by the Icelandic branch on the remuneration paid to foreign temporary workers involved in the building site. A dispute arose with the local tax authorities about the party required to act as the withholding agent for the remuneration of foreign temporary workers at the building site. Impregilo was firstly wrongly held responsible for the payment of the withholdings on this remuneration, which it therefore paid. Following the definitive ruling of the first level court, the company's claims were fully satisfied. Nevertheless, the local authorities subsequently commenced a new proceeding for exactly a similar issue. The Supreme Court rejected the company's claims in its ruling handed down in February 2010, which is blatantly contrary to the previous ruling issued in 2006 on the same matter by the same judiciary authority. The company had expected to be refunded both the unduly paid withholdings of €6.9 million (at the original exchange rate) and the related interest accrued to date of €6.0 million. Impregilo had prudently impaired the interest amount in previous years, despite a previous local court ruling and the opinion of its consultants that confirmed its grounds, and only continued to recognise the unduly paid principal. After the last ruling, the company took legal action at international level (appeal presented to the EFTA Surveillance Authority on 22 June 2010) and, as far as possible, again at local level (another reimbursement claim presented to the local tax authorities on 23 June 2010) as it deems, again supported by its advisors, that the last ruling issued by the Icelandic Supreme Court is unlawful both in respect of local legislative and international agreements which regulate trade relations between the EFTA countries and international conventions which do not allow application of discriminatory treatments to foreign parties (individuals and companies) working in other EFTA countries. On 8 February 2012, the EFTA Surveillance Authority sent the Icelandic government a communication notifying the infraction of the free exchange of services and requested the government to provide its observations about this. Following this, in April 2013, the EFTA Surveillance Authority issued its documented opinion finding the Icelandic legislation to be inconsistent with the regulations covering trade relations between the member countries with respect to the regulations for the above dispute, and it asked that Iceland amend its position.
Based on the above, and in particular with respect to recent developments for which, in any case, an update on assessments made to date will be appropriate, we do not believe there are objective reasons at present to change valuations made to date concerning this dispute.

27. Cash and cash equivalents

This item amounts to €1,132,419 at 31 December 2013 and is broken down as follows:

(Values in €/000)	Year 2013	Year 2012	Change
Non-restricted bank and postal deposits	1,018,048	317,496	700,552
Restricted bank and postal deposits	113,131	93,667	19,464
Cash in hand	1,240	537	703
Accrued bank interest income	0	2	(2)
Total cash and cash equivalents	**1,132,419**	**411,703**	**720,716**

The balance of cash and cash equivalents represents active bank account balances at the end of the year and the amounts of cash, cheques and securities existing at the registered office, the work sites and the foreign subsidiaries. Restricted deposits at 31 December 2013 consisted of letters of credit issued.
The acquisition of the Impregilo Group on 1 April 2013 resulted in the full absorption of €813,290 of cash and cash equivalents.
The statement of cash flows shows the reason for this increase and changes in current account facilities.
As at the reporting date of these consolidated financial statements, the Group had an escrow account with fiduciary mandate with a leading bank of € 8.9 million deposited in a restricted account as guarantee of a contractual agreement.
Imprepar's deposits include € 13.0 million collected by it on behalf of third parties.
The obtaining of funds by the members of consortia in which the consolidated company Impregilo S.p.A. is involved is subject to approval by all the consortium members who safeguard the financial requirements related to the performance of the contracts.
The following table shows the change in short-term bank overdrafts:

Analysis of cash and cash equivalents	2013-2012
Net cash and cash equivalents at beginning of the year	
Cash and cash equivalents at start of period	411,703
Bank overdrafts repayable on demand	(89,891)
	321,811
Net cash and cash equivalents at end of the year	
Cash and cash equivalents at end of period	1,132,420
Bank overdrafts repayable on demand	(132,590)
	999,829

28. Non-current assets (liabilities) held for sale and discontinued operations and profit from discontinued operations

Non-current assets held for sale, net of their associated liabilities, are shown in the following table:

(Values in €/000)	31 December 2013	31 December 2012	Change
Other claims for compensation - USW Campania	5,683	0	5,683
Todini Costruzioni Generali	229,860	0	229,860
Non-current assets held for sale	**235,543**	**0**	**235,543**

A breakdown of the statement of financial position items is as follows:

(Values in €/000)	31 December 2013	31 December 2012	Change
Other claims for compensation - USW Campania	5,683	0	5,683
Todini Costruzioni Generali	647,921	0	647,921
Non-current assets held for sale	653,604	0	653,604
Todini Costruzioni Generali	(418,061)	0	(418,061)
Non-current liabilities held for sale	(418,061)	0	(418,061)
Net non-current assets held for sale	**235,543**	**0**	**235,543**

Non-current assets held for sale at 31 December 2013 amounted to €647,921 for Todini Costruzioni S.p.A. and €5,683 for USW Campania.
The subsidiary Impregilo Group contributed €5,683 million. In particular, on the acquisition date of 1 April 2013 the Impregilo Group contributed an amount of €248,060, inclusive of the effect of the purchase price allocation (see section 6 for more details) for claims for compensation related to USW Campania. During 2013 the figure decreased due to the recognition of the compensation claims pertaining to the subsidiary FIBE and relating to the former RDF plants following the Supreme Court ruling described in the Directors' report. The related tax effects were directly offset against the gain arising from reversal of impairment losses and recognised under tax liabilities. The remaining amount, of €5,683, mainly refers to the Santa Maria la Fossa site and other related items of property, plant and equipment.
The contribution to the income statement of these assets was €(14,639) million. This amount includes the negative effect of the purchase price allocation of €(35,800) (see section 6 for more details).
See the section "Non-current assets held for sale" in the Directors' report more information about the complicated situation surrounding the USW Campania projects.

As disclosed in the report on operations, as part of the Group's strategies, aimed at achieving the increasingly efficient allocation of resources, also through a continuous focus on possible rearrangements of its organisational structure, the Board of Directors of Salini S.p.A. decided to assess the valuation of the 100% equity investment held in Todini Costruzioni Generali with a view to disposal.
Accordingly, as required by IFRS 5, the Group has shown the assets and liabilities of the Todini Group, after intercompany items with the Parent and the other consolidated Group companies, under the items "Non-current assets held for sale" and "Non-current liabilities held for sale"; the net profit (loss) of the Todini Group, after intercompany items, is shown under the item "Profit (loss) from discontinued operations".
In accordance with IFRS 5, the Group has measured the net assets of the Todini Group at the lower of their carrying amount and their fair value, equal to the value in use based on the discounting of future cash flows as disclosed in the business plan approved by the Board of Directors of Todini. The resulting equity value was in line with the net value of the assets of the Todini Group contributed.

The main balance sheet amounts of the Todini Group, classified under non-current assets (liabilities) held for sale are shown below:

(Values in €/000)	
Total non-current assets	85,586
Operating Working Capital	203,409
Total reserves	(7,358)
Net invested capital	**281,637**
Net financial position	**(53,868)**
Net assets	**227,769**

The table below shows the net profit (loss) deriving from Todini for the years 2013 and 2012:

(Values in €/000)	31 December 2013	31 December 2012
Revenues	309,939	595,605
Other revenues	28,568	27,956
Total Revenues	**338,507**	**623,561**
Costs of production	(305,647)	(504,462)
Value added	**32,860**	**119,099**
Personnel costs	(44,178)	(57,756)
Other operating costs	(48,217)	(6,265)
EBITDA	**(59,535)**	**55,079**
Depreciation and amortisation	(17,486)	(19,009)
Allocation to provisions	0	0
Write-downs	(6,736)	(4,243)
(Capitalised costs)	0	281
EBIT	**(83,757)**	**32,107**
Financial income and expenses (net)	(13,112)	(11,826)
Pre-tax profit/(loss)	**(96,869)**	**20,281**
Taxes	23,369	(7,200)
Net Profit	**(73,500)**	**13,081**
Profit/(loss) attributable to minorities	(5,369)	
Profit/(loss) attributable to the Group	**(68,131)**	**13,081**

The table below shows the net profit (loss) deriving from USW Campania and the effects of the PPA for the year 2013:

(Values in €/000)	USW Campania	PPA	Net USW Campania
Total revenues	0		0
Costs			0
Other operating costs	(6,527)		(6,527)
Total costs	**(6,527)**	0	**(6,527)**
Operating revenues	**(6,527)**	0	**(6,527)**
Net financing costs and net gains on investments	**35,987**	**(35,800)**	**187**
Profit (loss) before tax	29,460	(35,800)	(6,340)
Taxes	(8,299)		(8,299)
Profit (loss) from discontinued operations	**21,161**	**(35,800)**	**(14,639)**
Profit (loss) from discontinued operations attributable to:			
Owners of the parent	21,161	(35,800)	(14,639)

29. Shareholders' equity

Shareholders' equity totalled €892,283, of which €699,158 was attributable to the Salini Group and €193,125 to minorities.
The share capital of the parent company Salini S.p.A. at 31 December 2013 is composed of 62,400,000 ordinary shares with a nominal value of €1 each, making a total of €62,400. No parent company shares are held by subsidiaries. There were no changes with respect to 31 December 2012.
Other reserves, inclusive of the First Time Adoption (FTA) reserve, totalled €155,294 and decreased by €2,619 compared with 1 January 2013 following adjustments reported in the statement of changes in equity. There is a non-material difference in the opening balance of Other reserves at 31 December 2013 compared to the amount shown in the consolidated financial statements at 31 December 2012 due to the precise determination of the tax effect on the FTA adjustments made in the separate financial statements of the Parent.
In June, the payment was made, to the parent Salini Costruttori, of the dividends approved by the Shareholders' Meeting on 12 June 2013 for a total of €12,979.
Reserves relating to components of comprehensive income at 31 December 2013 totalled €2,826, representing a decrease of €(1,698) compared with the previous period. See the statement of comprehensive income for details of the change.
Minority interests totalled €193,125. This amount increased during the period by €164,363 due to the following changes:

- changes in comprehensive income of €114;
- profit (loss) for the period of €(9,244);
- consolidation of Impregilo of €172,237;
- other changes of €1,256.

Reconciliation between shareholders’ equity and profit (loss) of Salini S.p.A. with consolidated shareholders’ equity and profit (loss)

The following table shows the reconciliation of shareholders’ equity and profit (loss) of the parent Salini S.p.A. with the corresponding consolidated items:

(Values in €/000)	Shareholders’ equity	Profit/(loss)
Shareholders' equity and separate profit (loss) of Salini S.p.A.	**672,006**	**419,125**
Elimination of consolidated investments	(1,225,043)	69,451
Elimination of the provision for risks on equity investments	35,344	
Shareholders' equity and profit or loss of consolidated companies	**1,223,960**	**23,395**
Other consolidation entries		
Elimination of dividends paid to Salini S.p.A.		(539,856)
Fair value adjustment of equity investment in Impregilo		(90,155)
Badwill from Purchase Price Allocation (after reversal to the 2013 income statement)		292,739
Elimination gains from disposals of Impregilo shares	(8,238)	(8,238)
Reclassification to other comprehensive income of foreign exchange differences on net investments in foreign currency		4,166
Other consolidation entries	1,128	(2,360)
Gain on intragroup disposals		(1,323)
Shareholders' equity and profit (loss) attributable to the Group	**699,159**	**166,945**
Shareholder's equity and profit (loss) attributable to non-controlling interests	193,125	(9,244)
Consolidated shareholders' equity and profit (loss) at 31 December 2013	**892,283**	**157,701**

30. Financial liabilities

Financial liabilities totalled €1,745,585, increasing by €1,146,083 compared with 2012, as detailed below:

(Values in €/000)	December 2013	December 2012	Change
Payables to banks ord. C/A debit balance	132,590	89,891	42,699
Banks S/T loan - Hot money (30 - 90 days)	20,294	29,048	(8,754)
M-L/T bank loans > 12	663,297	198,647	464,650
M-L/T bank loans < 12	152,102	128,623	23,479
Payables to banks	**968,284**	**446,210**	**522,074**
To shareholders for loans > 12	0	2,889	(2,889)
To shareholders for loans < 12	0	109	(109)
Financial payables to shareholders	**0**	**2,998**	**(2,998)**
Payables to other lenders > 12	135,807	99,696	36,110
Payables to other lenders < 12	119,453	41,984	77,469
Payables to other lenders for leases	**255,259**	**141,680**	**113,579**
Transaction costs for loans - current amount	3,413	0	3,413
Ordinary bonds > 12	559,261	0	559,261
Ordinary bonds < 12	952	0	952
Transaction costs for mortgage/loans	(52,257)	(1,107)	(51,150)
Transactions costs for bonds	(6,719)	0	(6,719)
Accrued expenses for bank and other interest payable < 12	12,264	339	11,925
Accrued expenses for Derivative products < 12	6	7	(1)
Loan and financing costs and accrued financial expenses	**516,920**	**(761)**	**517,680**
Other payables to subsidiaries (Financial) < 12	0	10	(10)
Other payables to associates (Financial) < 12	0	38	(38)
Correspondence C/A with parents	774	9,327	(8,553)
Financial payables to Subsidiaries, Associates and Parents	**774**	**9,375**	**(8,601)**
Derivative instruments (negative fair value) < 12	(2)	0	(2)
Derivative instruments (negative fair value) > 12	4,350	0	4,350
Total financial liabilities	**1,745,585**	**599,503**	**1,146,083**
of which non-current portion	1,303,740	300,125	1,003,615
of which current portion	441,846	299,377	142,468

The following table contains a breakdown of payables to banks, divided into current and non-current:

(Values in €/000)	December 2013	December 2012	Change	December 2013	December 2012	Change
	Current			Non-current		
Debit balances	132,590	89,891	42,699	-	-	-
Short-term loans (30-90 days)	20,294	29,048	(8,754)	-	-	-
Financing	152,102	128,623	23,479	663,297	198,647	464,650
Loans	-	-	-		-	-
Total Payables to Banks	**304,986**	**247,563**	**57,423**	**663,297**	**198,647**	**464,650**

Bank overdrafts amounted to around €132,590, of which €93,838 relating to the Impregilo Group, consisting of €85.2 million of credit facilities used by the Venezuelan branch and €6.0 million of credit facilities used by the Grupo Unidos por el Canal. The remainder mainly related to the subsidiary Salini Nigeria LTD €(21,158) and €14,397 relating to the Dubai branch.
Other loans totalled €815,399, of which €152,102 short term and €663,297 medium/long term (on which a fair value adjustment of €928 was made during the PPA - see section 6 on business combinations for more details). The amounts is partly related to the contribution of the Impregilo Group, €94,947 for the non-current portion and €95,475 for the current portion, with the remainder mainly attributable to.

- €354,992 from the subscription, on 10 December 2013, of an unsecured Term Loan Facility (for a total of €425,000 also considering the amount attributable to the former Impregilo S.p.A.) with a 3-year expiry, taken out to refinance debt assumed for the public tender offer as well as some existing credit facilities. Banca IMI/Intesa Sanpaolo SpA, BNP Paribas Italian Branch, Natixis SA Milan Branch, and UniCredit SpA are involved in the transaction as Mandated Lead Arrangers, while Banco Santander SA Milan Branch and Banco Bilbao Vizcaya Argentaria SA Milan Branch are acting as Co-Arrangers;
- €100,220 relating to the BNP Paribas Export SACE loan attributable to the Head Office, of which €19,626 representing the short-term portion, for the purchase of machinery;
- €52,490 relating to the Intesa Sanpaolo loan, of which €9,490 representing the short-term portion, connected to the execution of the Gibe 3 contract in Ethiopia;
- €35,000 relating to the Banca del Mezzogiorno loan, of which €4,683 representing the short-term portion;
- €30,234 relating to the Cariparma medium/long term loan;
- €30,000 relating to the Banca Popolare Emilia Romagna medium/long term loan;
- €15,000 relating to the Banca Popolare di Bergamo short-term loan;

For the unsecured Term Loan Facility (former public tender offer loan) and the BNP Paribas Export SACE loan transaction costs have also been recognised, after amortisation for the year, for a total of €52,257.

The following table gives a detailed breakdown of the item loans:

Lending bank	Type	2014 portion	2015 portion	2016 portion	2017 portion	2018 portion	portion > 5 years	Total
Banca Pop. Emilia Romagna	Loan	20,294	0	0	0	0	0	**20,294**
Intesa San Paolo	Loan	9,490	25,000	18,000	0	0	0	**52,490**
Banca Popolare di Bergamo	Loan	15,000	0	0	0	0	0	**15,000**
BNL Bnp Paribas	Loan	19,626	20,000	20,000	20,000	20,594	0	**100,220**
Banca del Mezzogiorno	Loan	4,683	9,674	10,099	10,543	0	0	**35,000**
CBD Dubai	Loan	1,974	0	0	0	0	0	**1,974**
BMCE Marocco	Loan	5,796	0	0	0	0	0	**5,796**
CAT	Loan	57	56	84	0	0	0	**198**
Banca IMI Refinancing	Loan	0	354,992	0	0	0	0	**354,992**
Cariparma	Loan	0	30,234	0	0	0	0	**30,234**
Banca Pop. Emilia Romagna	Loan	0	30,000	0	0	0	0	**30,000**
Royal Bank of Scotland	Loan	9,000	0	0	0	0	0	**9,000**
Banca IMI (pool of banks)	Loan	197	0	74,101	0	0	0	**74,298**
Banco de Bogotà	Loan	38,559	0	0	0	0	0	**38,559**
Banco de Bogotà	Loan	15,761	5,254	0	0	0	0	**21,016**
HSBC Bank e Banesco	Loan	11,138	0	0	0	0	0	**11,138**
Banco de Bogotà	Loan	611	119	0	0	0	0	**730**
Prestamos Bancarios Venezuela	Loan	0	4,455	0	0	0	0	**4,455**
Royal Bank of Scotland	Loan	210	263	320	373	431	6,998	**8,595**
UniCredit	Loan	20,000	0	0	0	0	0	**20,000**
Banco di Sicilia	Loan	0	883	0	0	0	0	**883**
Banco di Sicilia	Loan	0	797	0	0	0	0	**797**
Banco di Sicilia	Loan	0	27	0	0	0	0	**27**
Total Loans		**172,396**	**481,753**	**122,605**	**30,916**	**21,025**	**6,998**	**835,693**

Payables due to other lenders totalled €255,260 and were composed as follows:

(Values in €/000)	December 2013	December 2012	Change	December 2013	December 2012	Change
	Current			Non-current		
Receivables assigned with recourse	20,867	12,370	8,497	20,165	0	20,165
Indirect factoring transactions	37,038	2,736	34,302	0	0	0
Leases	61,548	26,878	34,670	115,642	99,696	15,946
Total payables to other lenders	**119,453**	**41,984**	**77,469**	**135,807**	**99,696**	**36,111**

This change was mainly due to: (i) the increase in leases of €50,616 essentially due to the greater use of leases for the purchase of industrial machinery and equipment (ii) the increase in indirect factoring transactions of €34,302 and (iii) the increase in sales of receivables factored with recourse of €28,662.
On 23 July 2013 the parent Salini S.p.A. completed a senior unsecured bond issue for a nominal amount of €400,000 with a 5-year maturity. The bonds, which have a minimum denomination of €100,000 and an annual gross coupon of 6.125%, were placed with primary international institutional investors at a price of 99.477. Banca IMI S.p.A., Natixis and UniCredit Bank acted as Joint Lead Managers and Joint Bookrunners for the placement of the bonds.
The securities, with issue date of 1 August 2013 and a maturity of 1 August 2018, will pay interest annually. The liability recognised at 31 December 2013, of €393,007, includes the transaction costs directly associated with the issue of the bond, which amounted to €6,719 after amortisation for the year.
At 31 December 2013, the Impregilo Group recorded bonds totalling €150,164 relating exclusively to the bond issued by the Dutch subsidiary Impregilo International Infrastructures N.V, consisting of a non-current amount of €149,212 and a current amount of €952. The bonds of the Dutch company Impregilo International Infrastructures NV, wholly owned by Impregilo S.p.A., were issued in November 2010 for a total nominal amount of € 300 million. The outstanding bonds at the reporting date with a nominal amount of €150 million are redeemable in 2015 (bearing interest at a fixed rate of 6.526%). The bonds are listed on the Luxembourg stock exchange and underwritten by Impregilo S.p.A..

The breakdown of the bond redemptions by time band is shown below:

(Values in €/000)	Company	Country	Total non-current portion	Due after 13 months but within 24 months	Due after 25 months but within 60 months	Due after 60 months
Salini S.p.A.	Salini S.p.A.	Italy	393,007	-	-	393,007
Impregilo International Infrastructures	Impregilo International Infr	Netherlands	149,212	149,212	-	-
Total			**542,219**	**149,212**	**-**	**393,007**

A fair value adjustment of €10,323 million was made to the Bonds during the PPA; see section 6 on business combinations for more details.

31. Provisions for risks and charges

Provisions for risks and charges totalled €103,630, up €94,108 compared with 31 December 2012 as shown in the table below:

(Values in €/000)	Work in progress expenses	Subsidiaries' losses hedge	Completed contracts risk	Legal disputes	Tax Provisions (No Deferred Tax	Other Provisions	Total
Balance at 31 December 2012	**469**	**2,091**	**20**	**2,318**	**5,571**	**3,777**	**14,246**
Balance at 1 April 2013	**0**	**10,845**	**0**	**0**	**0**	**89,613**	**100,459**
Allocation to provisions	0	(415)	0	107	502	4,950	5,144
Balance Sheet use of the provision	0	(3)	0	(200)	(836)	(4,446)	(5,485)
Release of provision to Income Statement	(336)	0	0	(323)	0	(2,590)	(3,249)
Reclassifications and other changes	(57)	(295)	0	(231)	0	(635)	(1,218)
IFRS 5 reclassifications		(995)		(1,036)	(460)	(3,777)	(6,268)
Balance at 31 December 2013	**76**	**11,228**	**20**	**636**	**4,777**	**86,892**	**103,630**

The acquisition of the Impregilo Group on 1 April 2013 resulted in the full absorption of €100,459 relating to the provisions for risks and charges, consisting of €10,845 relating to the coverage of losses of subsidiaries and €89,613 relating to other provisions.

The individual items were broken down as follows:

- the provisions to cover the losses of subsidiaries has been established for commitments to cover losses exceeding subsidiaries' equity, particularly for Salini Bulgaria, Salini Polska Sp. Zoo, Salini Rus OOO, Salini Singapore, Salini Australia PTY Ltd and the Impregilo Group. The provision of €1,962 consists of €1,425 for Salini Bulgaria AD, €121 for Tokwe Mukorsi Dam and €416 of impairment losses on associates of the Impregilo Group;
- provisions for risks on completed contracts, with a balance of €20, refer to the Poland contract;
- provisions for legal disputes, which reports a decrease for the year of €646 mainly due to the release of provisions linked to social security positions closed during the 2013 (totalling €187) and the use of provisions by the parent Salini S.p.A. (amounting to €78);
- the tax provisions consist of the allocations made for contingent liabilities for pending lawsuits and provisions for legal expenses and amount to € 4,777 mainly for the provision made by the Ethiopia branch in previous years;
- other provisions showed an amount of €86,892 mainly relating to the Impregilo Group. Specifically, the change for the year comprise provisions of €4,950 million, including €1.3 million for the Engineering & Plant Construction segment and €2.2 million for Imprepar following revision of its estimates of its pending litigation, with the remainder relating to the Construction segment. Utilisations of €7,036 relate to the occurrence of expenses and losses for which they had been accrued.

32. Other liabilities

Other liabilities totalled €249,705, of which €7,354 was the non-current portion and €242,351 the current portion, as detailed below:

(Values in €)	December 2013	December 2012	Change
Social security payables	14,611	6,065	8,546
Other payables to parent companies	399	7,170	(6,771)
Other payables to subsidiaries	18	11	7
Other payables to associates	1,012	471	541
Other payables	233,604	35,955	197,649
Total other liabilities	**249,644**	**49,672**	**199,972**
of which non-current portion	7,354	14,850	(7,496)
of which current portion	242,291	34,822	207,469

Below is a breakdown by individual item

- Social security payables €14,611, of which €13,154 relating to the Impregilo Group;
- Payable to parent companies, of €399 relating to the subsidiary Co.Ge.Ma.;
- Payables to associates of €1,012 mainly relating to the parent Salini S.p.A. resulting from the share capital subscribed and not paid by the Turkish company Gaziantep Hastane Sağlik Hizmetleri İşletme Yatirim Anonim Şirketi (€846);
- Other payables of €233,604 mainly consist of €166,538 of the Impregilo Group relating to payables due to state bodies for the dealings with the commissioner, the provincial authorities and municipalities of Campania in connection with the USW Campania projects, €18,791 for accrued expenses and deferred income, and €36,433 arising from the short-term debt to personnel for remuneration earned but not yet paid.

33. Employee benefits

Employee benefits totalled €22,058 and comprised the following:

(Values in €/000)	December 2013	December 2012	Change
Employee termination benefits	21,407	3,618	17,789
Pensions and similar expenses	65	107	(42)
Other provisions for employees	586	781	(195)
Employee benefits	**22,058**	**4,506**	**17,553**

The loyalty bonus is governed by Article 66 of the national collective agreement of 5 July 1995 for the building industry. The agreement states that, from the 20th year of uninterrupted and effective service, the employer shall pay the employee, each year, or on each subsequent anniversary, a bonus equivalent to one month's salary. In addition, in the event that an employee who is already eligible for the bonus should be dismissed other than on disciplinary grounds, the agreement states that the bonus shall continue to accrue for as many months as there are whole months of service since the previous bonus vested. The loyalty bonus is thus similar to a deferred salary and falls into the category of "defined benefit plan".

The overall increase in employee benefits, of €17,553, is mainly due to the contribution of Impregilo Group, of €18,145, partially offset by changes relating to ordinary operations.
The method used to measure defined benefit plans is the Projected Unit Credit Method (PUCM).
The liability for post-employment benefits shown in the financial statements is the outstanding payable at the reform effective date, net of benefits paid up to the reporting date. The liability is considered part of a defined benefit plan under IAS 19 and has, therefore, been subjected to actuarial valuation. The valuation, performed with the assistance of independent professionals, was based on the following rates:

	Salini Group	Impregilo Group
Turnover	20.0%	7.5%
Discount rate	3.0%	3.1%
Annual advance rate	3.0%	2.0%
Inflation rate	2.0%	2.0%

The retirement age has been calculated, based on the date on which each employee started work, by considering the first effective window according to the prevailing legislation on pensions at the measurement date.

34. Trade payables

Trade payables totalled €1,177,283, as shown in the following table:

(Values in €/000)	December 2013	December 2012	Change
Payables to suppliers	1,075,698	530,037	545,661
Payables to subsidiaries	410	141	269
Payables to associate companies	93,795	38,730	55,065
Payables to parent companies	7,380	934	6,446
Trade payables	**1,177,283**	**569,842**	**607,441**

The geographical breakdown of the item is as follows:

(Values in €/000)	December 2013	%
Italy	133,739	11%
EU excluding Italy	267,516	23%
Non-EU	18,333	2%
Asia	128,813	11%
Africa	249,981	21%
America	859,264	73%
Oceania	3,905	0%
Total Eliminations	(484,268)	-41%
	1,177,283	

The overall increase in trade payables, from €569,842 at 31 December 2012 to €1,177,283 at 31 December 2013 is mainly due to the contribution of the Impregilo Group of €748,829, of which €676,108 due to suppliers and €72,582 due to associates, €280,711 mainly attributable to the net effect of the greater debt position recognised by the Ethiopia branch and reduction in the payables recognised by the Zimbabwe, Uganda, Sierra Leone and Dubai branches, €57,691 relating to the subsidiary CMT IS and €61,578 relating to the subsidiary Salini Malaysia.

35. Tax payables

Tax payables amounted to €164,101 and were up €80,188 compared with 31 December 2012 as shown in the table below:

(Values in €/000)	December 2013	December 2012	Change
Indirect taxes	85,071	66,750	18,321
Direct taxes	79,029	17,233	61,796
Current Tax Payables	**164,101**	**83,983**	**80,118**

This item mainly consists of €72,798 relating to the Impregilo Group, of which €57,477 for current corporate income tax (IRES), regional income tax (IRAP) and foreign taxes, and €15,321 for VAT payables; the remainder primarily consist of € 47,449 relating to the Nigerian companies for VAT as a result of the increase in accounts receivable and €16,169 relating to the Tokwe Mukorsi Dam.

36. Related-party transactions

Transactions with related parties, as defined by IAS 24, were of an ordinary nature. During the year 2013 the related-party transactions involved the following counterparties:

- directors, statutory auditors and key management personnel, in line with the contracts regulating their positions within the Salini Group;
- associates; these transactions mainly relate to:
  - commercial assistance with purchases and procurement of services necessary to carry out work on contracts, contracting and subcontracting;
  - services (technical, organisational, legal and administrative), carried out at centralised level;
  - financial transactions, namely loans and joint current accounts as part of cash pooling transactions and guarantees given on behalf of group companies.

  Transactions are carried out with associates in the interests of the Group, aimed at building on existing synergies in the group in terms of production and sales integration, efficient use of existing skills, streamlining of centralised structures and financial resources. These transactions are regulated by specific contracts and are carried out on an arm's length basis;
- other related parties: the main transactions undertaken by Group companies with other related parties, identified pursuant to IAS 24, are summarised below:

(Valori in €/000)	Assets	Liabilities	Revenues	Costs	Financial income	Interest and other fin. expenses	Provisions for risks and charges
Consorzio Costral in liquidation	65	50	11	8	–	–	–
Edilfi scarl in liquidation	332	301	11	42	–	–	236
Co.Ge.Fin s.r.l.	26,896	4,783	11	–	206	–	–
Todedil scarl	7	27	–	–	–	–	–
Subsidiaries	**27,299**	**5,160**	**34**	**50**	**206**	**–**	**236**

	Assets	Liabilities	Revenues	Costs	Financial income	Interest and other fin. expenses	Provisions for risks and charges
Aktor	582	–	–	–	–	–	–
Alburni S.c.a.r.l. in liquidation	102	225	–	–	–	–	–
Bata srl in liquidation	182	–	–	–	–	–	-
Cons. A.F.T. in liquidation	762	525	–	–	–	–	–
CEDIV SPA	3,882	–	77	0	–	–	–
Cons. Astaldi Federici Todini Kramis	5,533	757	–	–	–	–	757
Consorio.Kallidromo	598	–	–	–	–	–	–
Casada S.r.l.	68	–	6	236	1	–	–
Colle Todi S.c.a.r.l. in liquidation	532	247	11	8	–	–	–
Cons. Pizzarotti Todini Keff-Eddir	4,447	11,789	–	–	–	–	–
Forum S.c.a.r.l.	10	174	–	0	–	–	–
Galileo scarl	203	140	11	6	–	–	–
G.A.B.I.RE. Srl	18,206	–	38	–	–	–	–
Goupment italgisas (morocco) in liquidation	740	842	–	–	–	–	842
Group. d'entreprises Salini Strabag (Guinea)	295	489	–	203	–	–	–
Gaziantep Hastane Saglik	1,129	847	–	55	–	–	–
Ital.Sa.Gi. Sp.Z.O.O. (Poland)	44	222	–	–	–	–	222
Irina S.r.l. in liquidation	720	22	–	–	–	–	–
Consorzio Mina de Cobre	5	46	–	82	–	–	–
Risalto S.r.l. RM in liquidation	122	12	–	–	–	–	–
Sedi S.c.a.r.l.	98	32	–	–	–	–	–
Con.Sal. S.c.n.c. in liquidation	43	173	–	–	–	–	12
J.V.Salini Necso	1,741	3	1,139	987	–	–	–
Associates	**40,065**	**37,672**	**1,282**	**1,645**	**1**	**–**	**1,834**

	Assets	Liabilities	Revenues	Costs	Financial income	Interest and other fin. expenses	Provisions for risks and charges
Consorzio Iricav Due	315	7,602	-	140	-	-	-
Madonna dei Monti	50	154	12	270			
Gruppo ZEIS	2,269	131	364	903			
Salini Saudi Arabia	344			3			
Todini Finanziaria	-	6,553	-	-	-	-	-
Pantano S.c.r.l.(10.5%)	4	131	-	1	-	-	-
Other	**2,982**	**14,570**	**376**	**1,317**	**-**	**-**	**-**

	Assets	Liabilities	Revenues	Costs	Financial income	Interest and other fin. expenses	Provisions for risks and charges
Salini Costruttori	185,966	14,121	70	15,393	6,263	203	–
Direct Parent companies	**185,966**	**14,121**	**70**	**15,393**	**6,263**	**203**	**–**

	Assets	Liabilities	Revenues	Costs	Financial income	Interest and other fin. expenses	Provisions for risks and charges
SALINI SIMONPIETRO & C. S.A.P.A.	67	–	14	–	–	–	–
Indirect Parent companies	**67**	**–**	**14**	**–**	**–**	**–**	**–**

	Assets	Liabilities	Revenues	Costs	Financial income	Interest and other fin. expenses	Provisions for risks and charges
Trotter Alessandro		106		106			
Brogi Marina				74			
Cera Roberto				52			
Maglietta Nicola		91		96			
Directors/Key management personnel	**–**	**91**	**–**	**96**	**–**	**–**	**–**

37. Commitments and guarantees and contingent liabilities

Guarantees

The total value of guarantees given is €6,156,418 as detailed below:

(Values in €/000)	31 December 013
Bonds for bank facilities	739,654
Bonds for finance leasing transactions	146,809
Bonds for warranties on work	4,487,522
Bonds for participation in bidding	32,266
Other bonds	750,167
Total direct guarantees given	**6,156,418**

Third-party guarantees issued to the Group

Guarantees issued by credit institutions and insurance companies in the interest of Italian and foreign suppliers and subcontractors in relation to their contractual obligations towards the Group totalled €78,509.

38. Information on risk management and financial instruments required by IFRS 7

The principal market risks to which the Company is exposed are interest rate risk, exchange rate risk, liquidity risk and credit risk.

Interest rate risk

The Group uses external sources of funding in the form of short-term and medium-/long-term variable-rate debt.
Accordingly, an optimal balance must be found between fixed-rate and variable-rate debt in the financing structure, in order to reduce financial costs and volatility, selectively implementing hedging transactions through simple derivative instruments that convert variable-rate debt to fixed-rate debt (IRS).
At 31 December 2013, the Group had 10 derivative contracts outstanding: 2 instruments taken out by the Parent Salini S.p.A.; 6 instruments taken out by the associate Co.Ge.Fin., of which Todini Costruzioni Generali S.p.A., a subsidiary of the Parent, holds a share of 51%; and 2 instruments taken out by Impregilo S.p.A.

The following table summarises the key features of these transactions:

Company	Type	Contract date	Maturity date	Currency	Notional amount	Fair value at 31 December 2013
Co.Ge.Fin.	IRS	30-Sep-2009	31-Jul-2014	EUR	1,500	(16)
Co.Ge.Fin.	IRS	30-Sep-2009	31-Jul-2014	EUR	1,500	(16)
Co.Ge.Fin.	IRS	30-Sep-2009	31-Jul-2014	EUR	1,500	(16)
Co.Ge.Fin.	IRS	30-Sep-2009	31-Jul-2014	EUR	7,500	(82)
Co.Ge.Fin.	IRS	01-Oct-2009	31-Jul-2014	EUR	1,500	(16)
Co.Ge.Fin.	IRS	30-Sep-2009	31-Jul-2014	EUR	2,000	(16)
Salini S.p.a.	IRS	12-Feb-2010	01-Aug-2016	EUR	1,711	(55)
Salini S.p.a.	CAP	13-May-10	01-Dec-2016	EUR	5,095	0
Impregilo Parking Glasgow	IRS	27-Sep-2004	30-Jun-2029	GBP	7,969	(2,201)
Impregilo Parking Glasgow	IRS	01-Jun-2003	30-Jun-2029	GBP	703	(2,149)

The change in fair value of the financial instruments held by the Parent, recognised in the comprehensive income for the effective part, was €(7).
The fair value of the derivatives, amounting to €(55), was recognised under non-current financial liabilities.
The change in the fair value of the financial instruments held by Co.Ge.Fin. was recognised in the measurement at equity of the investment in Co.Ge.Fin., for a positive amount of €71.
The change in fair value of the instruments held by Impregilo from 1 April 2013 – the cut-off date of the consolidation – has been recognised under cash flow hedge reserve, for the effective part, amounting to €2,465 (of which €307 attributable to non-controlling interests). The fair value of the derivatives, amounting to €(4,150), has been recoded under non-current financial liabilities.
With regard to the exposure to interest-rate, if 2013 interest rates had been 75 basis points higher (or lower) on average, with all other variables constant and without considering cash and cash equivalents, the pre-tax profit (loss) would have had a negative (positive) change of €8,521 million, (€9,706 – negative/positive – for the income statement for the year 2012).

Exchange rate risk

In terms of exchange rate risk, Group policy is to preserve the monetary difference between trade receivables and payables in foreign currency by borrowing in local currency. At 31 December 2013, no cash flow hedges were in place for specific contracts.

Currency risk (sensitivity analysis) at 31 December 2013 mainly related to the following currencies:

- Naira (Nigeria)
- Dollar (United States)
- Dirham (United Arab Emirates)
- Zloty (Poland)
- Rand (South Africa)
- Swiss franc (Switzerland)

With regard to the Nigerian currency, if the Euro, at 31 December 2013, had appreciated (or depreciated) by 5% against that currency, assuming all other variables as constant, the consolidated earnings before tax for the year would have been lower (or higher in the case of depreciation) by €5.2 million, mainly due to unrealised exchange rate losses (gains) on net assets in NAIRA.
With regard to the US Dollar, if the Euro, at 31 December 2013, had appreciated (or depreciated) by 5% against that currency, assuming all other variables as constant, the consolidated earnings before tax for the year would have been lower (or higher in the case of depreciation) by €3.6 million, mainly due to unrealised exchange rate losses (gains) on net liabilities in US Dollars.
With regard to the United Arab Emirates currency, if the Euro, at 31 December 2013, had appreciated (or depreciated) by 5% against that currency, assuming all other variables as constant, the consolidated earnings before tax for the year would have been lower (or higher in the case of depreciation) by €3.4 million, mainly due to unrealised exchange rate losses (gains) on net assets in AED.
With regard to the Polish currency, if the Euro, at 31 December 2013, had appreciated (or depreciated) by 5% against that currency, assuming all other variables as constant, the consolidated earnings before tax for the year would have been lower (or higher in the case of depreciation) by €1.6 million, mainly due to unrealised exchange rate losses (gains) on net assets in ZLOTY.
With regard to the Swiss currency, if the Euro, at 31 December 2013, had appreciated (or depreciated) by 5% against that currency, assuming all other variables as constant, the consolidated earnings before tax for the year would have been lower (or higher in the case of depreciation) by €1.2 million, mainly due to unrealised exchange rate losses (gains) on net assets in CHF.
With regard to the South African currency, if the Euro, at 31 December 2013, had appreciated (or depreciated) by 5% against that currency, assuming all other variables as constant, the consolidated earnings before tax for the year would have been lower (or higher in the case of depreciation) by €0.9 million, mainly due to unrealised exchange rate losses (gains) on net liabilities in RAND.

Liquidity risk

The Group could be exposed to liquidity risk deriving, on the one hand, from a slowdown in payments from clients, and on the other from potential difficulties in locating external sources of funding to finance its industrial projects. Therefore, the Group dedicates special attention to managing the resources generated or absorbed by operating and/or investment activities and to the characteristics of the debt in terms of

maturity and renewal in order to ensure effective and efficient management of financial resources.
As a result, a number of policies and processes have been adopted to optimise the management of financial resources in order to manage and mitigate liquidity risk:

- tendency towards centralised management of collection and payment flows;
- monitoring the available liquidity level;
- optimising the lines of credit;
- monitoring the forecast liquidity.

The following tables illustrate the Group's exposure to liquidity risk and maturity analysis:

(Values in €/000)

Balance at 31 December 2013

Maturity	Financial payables A	Trade payables B	Derivative instruments C	Total D = A + B + C
Within 1 year	441,846	1,177,283	4	1,619,133
Between 1 and 2 years	635,125	0	4,350	639,475
Between 2 and 3 years	119,129	0		119,129
Between 3 and 5 years	545,136	0		545,136
Between 5 and 7 years	0	0		0
After 7 years	0	0		0
Total	**1,741,235**	**1,177,283**	**4,354**	**2,922,872**

The maturities shown here have been analysed using non-discounted cash flows and the amounts have been entered taking into account the first date on which payment could be required.

To meet these liquidity requirements, the Group has cash reserves and generates cash flow from operations.

Credit risk

Credit risk is represented by exposure to potential losses arising from non-performance of obligations assumed by clients, nearly all of which are associated with sovereign states or government bodies. Credit risk is thus linked to country risk.
At 31 December 2013 trade receivables totalled €1,634,515. The Group aims to minimise credit risk through the overall management of operating working capital with respect to both receivables from clients and payables to sub-contractors and suppliers that are typical of the reference industry.

Classification of financial assets and liabilities

The following table illustrates the breakdown of the Group's assets and liabilities by measurement category.

The fair value of derivatives is detailed in the paragraph on interest rate risk.

31 December 2012 (Values in €/000)	Loans and receivables	Assets held to maturity	Available-for-sale assets	Assets and liabilities at fair value through P&L	Liabilities at amortised cost	Total carrying amount	Fair value
Non-current assets							
Loans to associate companies, subsidiaries and other Group companies	28,525					**28,525**	**28,525**
Financial assets deriving from concessions						**-**	**-**
Current assets							
Trade receivables	490,685					**490,685**	**490,685**
Other current assets*	181,889					**181,889**	**181,889**
Current financial assets	64,220						
Cash and cash equivalents	411,703					**411,703**	**411,703**
Non-current liabilities							
Non-current financial liabilities					299,377	**299,377**	**299,377**
Current liabilities							
Trade payables					569,842	**569,842**	**569,842**
Current financial liabilities					299,377	**299,377**	**299,377**
Other current liabilities*					34,822	**34,822**	**34,822**

(*) Share of assets/liabilities within the scope of IFRS 7.

31 December 2013 (Values in €/000)	Loans and receivables	Assets held to maturity	Available-for-sale assets	Assets and liabilities at fair value through P&L	Liabilities at amortised cost	Total carrying amount	Fair value
Non-current assets							
Loans to associate companies, subsidiaries and other Group companies	48,928					**48,928**	**48,928**
Financial assets deriving from concessions						**-**	**-**
Current assets							**-**
Trade receivables	1,634,515					**1,634,515**	**1,634,515**
Other current assets*	381,814					**381,814**	**381,814**
Current financial assets	232,529						**-**
Cash and cash equivalents	1,132,420					**1,132,420**	**1,132,420**
Non-current liabilities							**-**
Non-current financial liabilities					1,303,740	**1,303,740**	**1,303,740**
Current liabilities							**-**
Trade payables					1,177,283	**1,177,283**	**1,177,283**
Current financial liabilities					441,846	**441,846**	**441,846**
Other current liabilities*					242,291	**242,291**	**242,291**

(*) Share of assets/liabilities within the scope of IFRS 7.

39. Subsequent events

For significant events occurring after the end of the 2013 reporting period, see the Directors' report.

The Board of Directors

Annex 1 - Changes in equity investments

The equity investments of the Impregilo Group only are shown below:

(Values in €/000)

Name	Value at 31 December 2012	Acquisitions (Disinvestments and liquidations)	Share/ quota capital transactions	Share of profit or loss of equity-account investees	Other gains (losses) in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change due to exchange rate fluctuations	Change in consolidation method	Reclassifica tions	Value at 31 December 2013
Adduttore Ponte Barca S.c.r.l. (in liq.)	7	-7	0	0	0	0	0	0	0	0	0
Aguas del Gran Buenos Aires S.A. (in liq.)	0	0	0	0	-18	0	0	0	0	18	0
Anagnina 2000 S.c.r.l.	5	0	0	-3	0	0	0	0	0	0	2
Ancipa S.c.r.l. (in liq.)	5	0	0	0	0	0	0	0	0	0	5
B.O.B.A.C. S.c.a.r.l. (in liq.)	5	0	0	0	0	0	0	0	0	0	5
Calpark S.c.p.A.	6	0	0	0	0	0	0	0	0	0	6
CE.S.I.F. S.c.p.a. (in liq.)	63	0	0	0	0	0	0	0	0	0	63
Collegamento Ferroviario Genova-Milano S.p.A.	0.578	-0.578	0	0	0	0	0	0	0	0	0
Consorcio Federici/Impresit/Ice Cochabamba	16	0	0	0	0	0	0	0	0	0	16
Consorzio Casale Nei	0.775	0	0	0	0	0	0	0	0	0	0.775
Consorzio Cogefar/Italstrade/Recchi/CMC - CIRC (in liq.)	13	-13	0	0	0	0	0	0	0	0	0
Consorzio CMM4	62	0	0	0	0	0	0	0	0	0	62
Consorzio CON.SI	0.516	0	0	0	0	0	0	0	0	0	0.516
Consorzio Consavia S.c.n.c. (in liq.)	2	0	0	0	0	0	0	0	0	0	2
Consorzio Costruttori TEEM	3	-3	0	0	0	0	0	0	0	0	0
Consorzio CPS Pedemontana Veneta Costruttori Progettisti e Servizi	35	0	0	0	0	0	0	0	0	0	35
Consorzio del Sinni	12	0	0	0	0	0	0	0	0	0	12
Consorzio Ferrofir (in liq.)	178	0	0	0	0	0	0	0	0	0	178
Consorzio Ferroviario Milanese	28	0	0	0	0	0	0	0	0	0	28
Consorzio Imprese Lavori FF.SS. di Saline - FEIC	5	0	0	0	0	0	0	0	0	0	5
Consorzio infrastruttura area metropolitana - Metro Cagliari (in liq.)	8	0	0	0	0	0	0	0	0	0	8
Consorzio Iniziative Ferroviarie - INFER	14	0	0	0	0	0	0	0	0	0	14
Consorzio Iricav Due	70	0	0	0	0	0	0	0	0	0	70
Consorzio Italian Engineering & Contractors for Al Faw - IECAF	3	-3	0	0	0	0	0	0	0	0	0
Consorzio MARC - Monitoraggio Ambientale Regione Campania (in liq.)	3	0	0	0	0	0	0	0	0	0	3
Consorzio Metrofer (in liq.)	4	0	0	0	0	0	0	0	0	0	4
Consorzio Metropolitane	13	-13	0	0	0	0	0	0	0	0	0
Consorzio MITECO	4	0	0	0	0	0	0	0	0	0	4

(Values in €/000)

Name	Value at 31 December 2012	Acquisitions (Disinvestments and liquidations)	Share/ quota capital transactions	Share of profit or loss of equity-account investees	Other gains (losses) in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change due to exchange rate fluctuations	Change in consolidation method	Reclassifica tions	Value at 31 December 2013
Consorzio Nazionale Imballaggi - CO.NA.I.	0.005	0	0	0	0	0	0	0	0	0	0.005
Consorzio NOG.MA	84	0	0	0	0	0	0	0	0	0	84
Consorzio Pedelombarda 2	4	0	0	0	0	0	0	0	0	0	4
Consorzio Sarda Costruzioni Generali - SACOGEN	3	0	0	0	0	0	0	0	0	0	3
Consorzio Sardo d'Imprese	1	0	0	0	0	0	0	0	0	0	1
Consorzio TRA.DE.CI.V.	13	0	0	0	0	0	0	0	0	0	13
Consorzio Trevi - S.G.F. INC per Napoli	5	0	0	0	0	0	0	0	0	0	5
Construtora Impregilo y Associados S.A.-CIGLA S.A.	0.001	0	0	0	0	0	0	0	0	0	0.001
Constuctora Embalse Casa de Piedra S.A. (in liq.)	0.001	0	0	0	0	0	0	0	0	0	0.001
Depurazione Palermo S.c.r.l. (in liq.)	4	0	0	0	0	0	0	0	0	0	4
Empresa Constructora Lo Saldes L.t.d.a.	5	0	0	0	0	0	0	0	0	0	5
Empresa Constructora Metro 6 L.t.d.a.	0	0	0	169	0	0	0	-15	0	0	153
Emittenti Titoli S.p.A.	11	0	0	0	0	0	0	0	0	0	11
Eurolink S.c.p.a.	0.002	0	0	0	0	0	0	0	0	0	0.002
FE.LO.VI. S.c.n.c. (in liq.)	8	0	0	0	0	0	0	0	0	0	8
G.T.B. S.c.r.l.	0.005	0	0	0	0	0	0	0	0	0	0.005
GE.A.C. S.r.l.	76	0	0	0	0	0	0	0	0	0	76
Grassetto S.p.A. (in liq.)	8	0	0	0	0	0	0	0	0	0	8
Healy-Yonkers-Atlas-Gest J.V.	12	0	0	0	0	0	0	-0.528	0	0	12
I_Faber S.p.A.	583	0	0	0	0	0	0	0	0	0	583
Immobiliare Golf Club Castel D'Aviano S.r.l.	63	0	0	0	0	0	0	0	0	0	63
Impregilo Arabia Ltd	3,371	0	0	-111	0	0	0	-142	0	0	3,117
Imprese Riunite Genova Irg S.c.r.l. (in liq.)	7	0	0	0	0	0	0	0	0	0	7
Istituto per lo Sviluppo Edilizio ed Urbanistico - ISVEUR S.p.A.	23	0	0	0	0	0	0	0	0	0	23
Istituto Promozionale per l'Edilizia S.p.A. - Ispredil S.p.A.	0.33	0	0	0	0	0	0	0	0	0	0.33
Italsagi Sp.zo.o.	0.001	0	0	0	0	0	0	0	0	0	0.001
LEC Libyan Expressway Contractors Consorzio	0	4	0	0	0	0	0	0	0	0	4
M.N. 6 S.c.r.l.	0.51	0	0	0	0	0	0	0	0	0	0.51
Markland S.r.l. (in liq.)	1	0	0	0	0	0	0	0	0	0	1
Metrogenova S.c.r.l.	8	0	0	0	0	0	0	0	0	0	8
Metropolitana di Napoli S.p.A.	314	0	0	0	0	0	0	0	0	0	314
Milano Sviluppo S.r.l. (in liq.)	-0.001	0	0	0	0	0	0	0	0	0	-0.001
Monte Vesuvio S.c.r.l. (in liq.)	23	0	0	0	0	0	0	0	0	0	23
Olbia 90 S.c.r.l. (in liq.)	3	0	0	0	0	0	0	0	0	0	3
Parco Scientifico e Tecnologico della Sicilia S.c.p.A.	5	0	0	0	0	0	0	0	0	0	5
Passante Dorico S.p.A.	0	11,280	0	0	0	0	0	0	0	0	11,280

(Values in €/000)

Name	Value at 31 December 2012	Acquisitions (Disinvestments and liquidations)	Share/ quota capital transactions	Share of profit or loss of equity-account investees	Other gains (losses) in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change due to exchange rate fluctuations	Change in consolidation method	Reclassifications	Value at 31 December 2013
Platano S.c.n.c. (in liq.)	0.165	-0.165	0	0	0	0	0	0	0	0	0
Quattro Venti S.c.r.l. (in liq.)	21	0	0	0	0	0	0	0	0	0	21
RCCF Nodo di Torino S.c.p.a. (in liq.)	27	0	0	0	0	0	0	0	0	0	27
Rimini Fiera S.p.A.	3,194	0	0	0	0	0	0	0	0	0	3,194
Riviera S.c.r.l.	5	0	0	0	0	0	0	0	0	0	5
S. Anna Palermo S.c.r.l. (in liq.)	19	0	0	0	0	0	0	0	0	0	19
S.P.P.C.A.C. S.c.r.l. (in liq.)	1	-1	0	0	0	0	0	0	0	0	0
San Benedetto S.c.r.l. (in liq.)	10	0	0	0	0	0	0	0	0	0	10
Sarmento S.c.r.l.	0.001	0	0	0	0	0	0	0	0	0	0.001
Sep Eole	0.762	0	0	0	0	0	0	0	0	0	0.762
Seveso S.c.a.r.l. (in liq.)	0.4	0	0	0	0	0	0	0	0	0	0.4
Sirjo S.c.p.A.	12,000	0	0	0	0	0	0	0	0	0	12,000
Skiarea Valchiavenna S.p.A.	100	0	0	0	0	0	0	0	0	0	100
Società di progetto consortile per azioni M4	0	35	69	0	0	0	0	0	0	0	104
Strade e Depuratori Palermo S.c.r.l.	2	0	0	0	0	0	0	0	0	0	2
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	4	0	0	0	0	0	0	0	0	0	4
Torino Parcheggi S.r.l. (in liq.)	3	0	0	0	0	0	0	0	0	0	3
VE.CO. S.c.r.l.	3	0	0	0	0	0	0	0	0	0	3
TOTAL CONSTRUCTION	**20,592**	**11,278**	**69**	**54**	**-18**	**0**	**0**	**-158**	**0**	**18**	**31,836**
Consorzio Agrital Ricerche (in liq.)	-5	0	0	0	0	0	0	0	0	5	0
Consorzio Aree Industriali Potentine (in liq.)	-0.666	0	0	0	0	0	0	0	0	0.666	0
Consorzio Ramsar Molentargius	3	-3	0	0	0	0	0	0	0	0	0
Nautilus S.c.p.a. (in liq.)	62	-62	0	0	0	0	0	0	0	0	0
Villagest S.c.r.l. (in liq.)	6	0	0	0	0	0	0	0	0	0	6
TOTAL ENGINEERING & PLANT CONSTRUCTION	**65**	**-65**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6**	**6**
Acqua Campania S.p.A.	10	0	0	0	0	0	0	0	0	0	10
Aguas del Gran Buenos Aires S.A. (in liq.)	0	0	0	0	-26	0	0	0	0	26	0
Consorcio Agua Azul S.A.	6,743	0	0	512	0	-315	0	-853	0	0	6,087
Pedemontana Veneta S.p.A.	1,214	0	0	0	0	0	0	0	0	0	1,214
Sistranyac S.A.	150	0	0	0	0	0	0	0	0	0	150
Società Autostrada Broni - Mortara S.p.A.	9,583	0	0	-40	0	0	0	0	-9,543	0	0
Tangenziale Esterna S.p.A.	15,500	-39,100	23,600	0	0	0	0	0	0	0	0
Tangenziale Esterna di Milano S.p.A.	2,693	-4,669	1,976	0	0	0	0	0	0	0	0
Yacylec S.A.	559	0	0	22	0	-109	0	-130	0	0	341
Yuma Concessionaria S.A.	5,528	0	0	1,625	0	0	0	-802	0	0	6,352
TOTAL CONCESSIONS	**41,980**	**-43,769**	**25,576**	**2,119**	**-26**	**-424**	**0**	**-1,785**	**-9,543**	**26**	**14,153**
	0	0	0	0	0	0	0	0	0	0	0
TOTAL EQUITY INVESTMENTS WITH POSITIVE CARRYING AMOUNTS	**62,638**	**-32,556**	**25,646**	**2,173**	**-44**	**-424**	**0**	**-1,943**	**-9,543**	**49**	**45,995**

Annex 2 - Changes in equity investments

The equity investments of the Salini Group at 31 December 2013 are shown below:

(Values in €/000)	31 December 2012	Change during the year 2013						31 December 2013
	Balance	Reclassifications/ acquisitions/ disposals	Write-backs/ write-downs	Other changes	Total	Original Cost	Write-backs	Balance
a) Equity investments in subsidiaries								
Risalto S.r.l. RM in liquidation	0	80	0	0	80	80	0	80
Variante di Valico Scarl in liquidation	0	38	0	0	38	38	0	38
Consorzio Mina de Cobre	0	5	0	0	5	5	0	5
Third parties	2	0	0	0	0	2	0	10
Total	**2**	**122**	**0**	**0**	**122**	**124**	**0**	**132**
a) Equity investments in associates								
Forum S.c.a.r.l.	10	0	0	0	0	10	0	10
Groupment Italgisas (Morocco) in liquidation	0	0	0	0	0	186	0	0
Group. d'entreprises Salini Strabag (Guinea)	5	0	0	0	0	5	0	5
Ital.Sa.Gi. Sp.Z.O.O. (Poland)	0	0	0	0	0	325	0	0
Impregilo S.p.A.	297,141	(297,141)	0	0	(297,141)	0	0	0
Risalto srl	30	(30)	0	0	(30)	0	0	0
Joint Venture Salini-Acciona (Ethiopia)	9	0	0	0	0	9	0	9
Con.Sal. S.c.n.c. in liquidation	0	0	0	0	0	5	0	0
S. Ruffillo S.c.a.r.l.	21	0	0	0	0	21	0	21
Variante di valico s.c.a.r.l. (in liquidation)	30	(30)	0	0	(30)	0	0	0
Gaziantep Hastane Saglik	0	1,129	0	0	1,129	1,129	0	1,129
PPA effect on Associates	0	0	0	0	0	0	13,829	13,829
Total	**297,247**	**(296,072)**	**0**	**0**	**(296,072)**	**1,691**	**13,829**	**15,004**
c) Other equity investments								
Autostrade To-Milano S.p.A.	1,126	(1,126)	0	0	(1,126)	0	0	0
Consorzio Iricav Due	70	0	0	0	0	70	0	90
C.R.R. GG.OO. SPA 0.5%	26	(26)	0	0	(26)	0	0	0
I.S.V.E.U.R.-SPA (1%)	34	0	0	0	0	34	0	34
Pantano s.c.r.l.(10.5%)	4	0	0	0	0	4	0	5
Total	**1,261**	**(1,152)**	**0**	**0**	**(1,152)**	**109**	**0**	**129**
Total impregilo group + salini group								**61,260**

Annex 3 – Details of Group companies

The companies of the Salini Group and the Impregilo Group at 31 December 2013 are shown below:

Salini S.p.A. Group

(Values in €/000)	Country	Share capital €x1,000	% stake	% direct	% indirect	Indirectly invested companies
Parent company						
Salini S.p.A.	Italy	62,400				
Fully consolidated subsidiaries						
Todini Costruzioni Generali S.p.A.	Italy	56,907	77.7141%	77.7141%		
Salini Hydro Ltd	Ireland	5	100.00%	100.00%		
Co.Ge.Ma. S.p.A.	Italy	1,032	100.00%	100.00%		
Metro B S.r.l.	Italy	20,000	52.52%	52.52%		
Metro B1 S.c.a.r.l.	Italy	100	80.70%	80.70%		
RI.MA.T.I. S.c.a.r.l.	Italy	100	83.42%	83.42%		
Salini Nigeria Ltd	Nigeria	Naira 10,000	100.00%	99.00%	1.00%	Co.ge.ma. S.p.A.
Joint Venture Salini Impregilo	Zimbabwe	8	99.90%	99.90%		
Salini Bulgaria AD	Bulgaria	Lev 50	100.00%	100.00%		
TB Metro S.r.l.	Italy	100	51.00%	51.00%		
Hemus Motorway AD	Bulgaria	Lev 1,300	51.00%	51.00%		
Sa.Co.Lav. S.c.a.r.l. in liquidation	Italy	10	100.00%	100.00%		
Salini Malaysia SDN. BHN	Malaysia	Myr 1,100	90.00%		10.00%	Co.Ge.Ma. S.p.A.
Salini Polska sp.zoo	Poland	Pln 393	100.00%	100.00%		
CMT I/S	Denmark	0	99.99%	99.99%		
Salini India Private Ltd	India	Rupees 17,500	95.00%		5.00%	Co.Ge.Ma. S.p.A.
Salini Kolin CGF Joint Venture	Turkey	4	38.00%	38.00%		
Sa.Ma. S.c.a.r.l. in liquidation	Italy	41	99.00%	99.00%		
Salini Australia Pty Ltd	Australia	Aud 4,350	100.00%	100.00%		
Salini Rus OOO	Russia	74	99.00%	99.00%		
Salini Singapore Pte Ltd	Singapore	0	100.00%	100.00%		
Salini İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi	Turkey	TL 50	100.00%	100.00%		
Salini USA Inc	USA	USD 20	100.00%	100.00%		
Salini Namibia Pty Ltd	Namibia		100.00%	100.00%		
Impregilo S.p.A.	Italy	718,364	88.83%	88.83%		
Impregilo Salini (Panama) S.A.	Panama	USD 10	50.00%	50.00%		
SALINI - IMPREGILO Joint Venture	Bulgaria	0	50.00%	50.00%		
Emprese Constructora Metro 6 Ltd	Chile	CLP 25,000	51.00%	51.00%		
JV Todini Akkord Salini	Rivne	100	25.00%		40.00%	Todini Costruzioni Generali S.p.A.
JV Todini Takenaka LLCC	Baku	0	60.00%		60.00%	Todini Costruzioni Generali S.p.A.
Corso del Popolo S.p.A.	Italy	1,200	55.00%		55.00%	Todini Costruzioni Generali S.p.A.
Corso del Popolo Engineering S.c.a.r.l.	Italy	10	55.00%		55.00%	Todini Costruzioni Generali S.p.A.
Consorzio FAT	Italy	46	100.00%		99.00%	Todini Costruzioni Generali S.p.A.

(Values in €/000)	Country	Share capital €x1,000	% stake	% direct	% indirect	Indirectly invested companies
					1.00%	Co.Ge.MA. S.p.A.
EURL Todini Algeriè	Algeria	63	100.00%		100.00%	Todini Costruzioni Generali S.p.A.
GMTI S.c.a.r.l.	Algeria	11	100.00%		100.00%	Todini Costruzioni Generali S.p.A.
JV Todini Aktor Metro	Greece	0	55.00%		55.00%	Todini Costruzioni Generali S.p.A.
Maver S.c.a.r.l. in liquidation	Italy	10	100.00%		100.00%	Todini Costruzioni Generali S.p.A.
Perugia 219 S.c.a.r.l.	Italy	10	55.00%		55.00%	Todini Costruzioni Generali S.p.A.
Piscine S.c.a.r.l.	Italy	10	70.00%		70.00%	Todini Costruzioni Generali S.p.A.
Piscine dello Stadio S.r.l.	Italy	870	70.00%		70.00%	Todini Costruzioni Generali S.p.A.
Todini Central Asia	Kazakhstan	1,438	100.00%		100.00%	Todini Costruzioni Generali S.p.A.
Groupement Todini Enaler	Algeria	0	84.00%		84.00%	Todini Costruzioni Generali S.p.A.
Groupement Todini Hamila	Tunisia	0	100.00%		100.00%	Todini Costruzioni Generali S.p.A.
Subsidiaries consolidated according to the equity method						
Salini Canada INC	Canada	CAD 10	100.00%	100.00%		
Consorzio Mina de Cobre	Italy	10	50.00%	50.00%		
Consorzio Libyan Expressway Contractors	Italy	10	15.50%	15.50%		
Risalto s.r.l. in liquidation	Italy	89	100.00%		66.66%	Salini S.p.A.
					33.33%	Todini Costruzioni Generali S.p.A.
Variante di Valico Scarl in liquidation	Italy	90	100.00%		66.66%	Salini S.p.A.
					33.33%	Todini Costruzioni Generali S.p.A.
Consorzio Costral in liquidation	Italy	20	70.00%		70.00%	Todini Costruzioni Generali S.p.A.
Edilfi S.c.a.r.l. in liquidation	Italy	10	100.00%		100.00%	Todini Costruzioni Generali S.p.A.
Todedil S.c.a.r.l. in liquidation	Italy	10	85.00%		85.00%	Todini Costruzioni Generali S.p.A.
Associate companies consolidated according to the equity method						
Con.Sal. S.c.n.c. in liquidation	Italy	15	30.00%	30.00%		
Forum S.c.a.r.l.	Italy	51	20.00%	20.00%		
Group. d'entre. Salini Strabag	Guinea	10	50.00%	50.00%		
Groupement Italgisas in liquidation	Kenitra	620	30.00%	30.00%		
Ital.Sa.Gi. Sp.Z.O.O.	Poland	Zl. 40	33.00%	33.00%		
Joint Venture Salini-Necso (Acciona)	Addis Abeba	20	50.00%	50.00%		
Gaziantep Hastane Sağlik Hizmetleri İşletme Yatirim Anonim Şirketi	Turkey	TL 10,000	28.00%	28.00%		
S. Ruffillo S.c.a.r.l.	Italy	60	35.00%	35.00%		
Bata S.r.l. in liquidation	Italy	102	27.55%		27.55%	Todini Costruzioni Generali S.p.A.
C.P.R. 2	Italy	2	34.92%		34.92%	Todini Costruzioni Generali S.p.A.
C.P.R. 3	Italy	2	35.97%		35.97%	Todini Costruzioni Generali S.p.A.
Colle Todi S.c.a.r.l. in liquidation	Italy	10	66.67%		66.67%	Todini Costruzioni Generali S.p.A.
Cons. Pizzarotti Todini Keff-Eddir	Italy	100	50.00%		50.00%	Todini Costruzioni Generali S.p.A.
Cons. Aft in liquidation	Italy	46	33.33%		33.33%	Todini Costruzioni Generali S.p.A.
Cons.Astaldi-Federici-Todini Kramis	Italy	100	49.95%		49.95%	Todini Costruzioni Generali S.p.A.
Consorzio Kallidromo	Greece	29	20.70%		20.70%	Todini Costruzioni Generali S.p.A.
CUS (Consorzio Umbria Sanità) in liquidation	Italy	10	31.00%		31.00%	Todini Costruzioni Generali S.p.A.
Galileo S.c.a.r.l. (in liquidation)	Italy	10	40.00%		40.00%	Todini Costruzioni Generali S.p.A.
Irina S.r.l. in liquidation	Italy	103	36.00%		36.00%	Todini Costruzioni Generali S.p.A.
Scat 5 S.c.a.r.l. in liquidation	Italy	26	24.99%		24.99%.	Todini Costruzioni Generali S.p.A.

(Values in €/000)	Country	Share capital €x1,000	% stake	% direct	% indirect	Indirectly invested companies
Sedi S.c.a.r.l.	Italy	10	34.00%		34.00%	Todini Costruzioni Generali S.p.A.
Trasimeno S.c.a.r.l. in liquidation	Italy	10	30.00%		30.00%	Todini Costruzioni Generali S.p.A.
Co.Ge.Fin. S.r.l.	Italy	10	51.00%		51.00%	Todini Costruzioni Generali S.p.A.
Other Companies						
Generalny Wykonawca Salini Polska – Impregilo – Kobylarnia S.A.	Poland	0	33.34%		33.34%	Salini Polska Sp.Z.o.o.
IS Joint Venture	Australia	0	50.00%		50.00%	Salini Australia Pty Ltd
Manifesto S.p.A.	**Italy**	**0**	**quote**		**quote**	**Co.Ge.Ma. S.p.A.**
Consorzio IRICAV Due	Italy	510	12.00%	12.00%		
I.S.V.E.U.R. S.p.A.	Italy	2,500	1.00%	1.00%		
Pantano Scarl	Italy	41	10.50%	10.50%		
A. Construction J.V. Kallidromo	Greece		19.54%		19.54%	Todini Costruzioni Generali S.p.A.
JV Todini Diekat	Greece		10.00%		10.00%	Todini Costruzioni Generali S.p.A.
Nomisma S.p.A.	Italy		0.34%		0.34%	Todini Costruzioni Generali S.p.A.
CAAF Interregionale	Italy		0.04%		0.04%	Todini Costruzioni Generali S.p.A.

Impregilo S.p.A. Group

(Values in €/000)	Country	Share capital €x1,000	% stake	% direct	% indirect	Indirectly invested companies
Parent company						
Impregilo S.p.A.	Italy	718,364				
Fully consolidated subsidiaries						
Alia S.c.r.l. (in liq.)	Italy	10	100.00%		100.00%	Imprepar S.p.A.
BATA S.r.l. (in liq.)	Italy	102	50.69%		50.69%	Imprepar S.p.A.
Bocoge S.p.A. - Costruzioni Generali	Italy	1,703	100.00%		100.00%	Imprepar S.p.A.
Campione S.c.r.l. (in liq.)	Italy	11	99.90%	99.90%		
CIS Divisione Prefabbricati Vibrocesa Scac - C.V.S. S.r.l. (in liq.)	Italy	10	100.00%		100.00%	INCAVE S.r.l.
Congressi 91 S.c.r.l. (in liq.)	Italy	25	100.00%		80.00%	Impresa Castelli S.r.l.
					20,00%	Bocoge S.p.A.
Consorzio CCTE (in liq.)	Italy	41	100.00%	60.00%	40.00%	ILIM S.r.l.
Consorzio Cogefar-Impresit Cariboni per la Frana di Spriana S.c.r.l. (in liq.)	Italy	46	100.00%	100.00%		
Consorzio Pielle (in liq.)	Italy	15	100.00%		33.33%	Imprepar S.p.A.
					66.67%	Incave S.r.l.
Consorzio tra le Società Impregilo/Bordin/Coppetti/Icep - CORAV	Italy	51	96.97%	96.97%		
Construtora Impregilo y Associados S.A.-CIGLA S.A.	Brazil	BRL 7,641	100.00%	100.00%		
Costruzioni Ferroviarie Torinesi Duemila S.c.r.l. (in liq.)	Italy	10	100.00%		100.00%	INCAVE S.r.l.
CSC Impresa Costruzioni S.A.	Switzerland	CHF 2,000	100.00%	100.00%		
Effepi - Finanza e Progetti S.r.l. (in liq.)	Italy	78	100.00%		100.00%	SGF INC S.p.A.
Engeco France S.a.r.l.	France	15	100.00%		99.67%	Imprepar S.p.A.
					0.33%	Incave S.r.l.
Eurotechno S.r.l. (in liq.)	Italy	26	100.00%		100.00%	Imprepar S.p.A.
Grupo ICT II SAS	Colombia	Cop 1.000.000	100.00%	100,00%		

(Values in €/000)	Country	Share capital €x1,000	% stake	% direct	% indirect	Indirectly invested companies
I.L.IM. - Iniziative Lombarde Immobiliari S.r.l. (in liq.)	Italy	10	100.00%	100,00%		
Imprefeal S.r.l.	Italy	20	100.00%		100.00%	Imprepar S.p.A.
Impregilo Colombia SAS	Colombia	Cop 850,000	100.00%	100,00%		
Impregilo Lidco Libya Co	Libya	Ld 5,000	60.00%	60,00%		
Imprepar-Impregilo Partecipazioni S.p.A.	Italy	3,100	100.00%	100,00%		
Impresa Castelli S.r.l. (in liq.)	Italy	10	100.00%		100.00%	Imprepar S.p.A.
Impresit del Pacifico S.A.	Peru	Pen 35	100.00%		100.00%	Imprepar S.p.A.
INC - Algerie S.a.r.l.	Algeria	Dzd 151,172	99.97%		99.97%	SGF INC S.p.A.
INCAVE S.r.l. (in liq.)	Italy	90	100.00%		100.00%	Imprepar S.p.A.
Joint Venture Impregilo S.p.A. - S.G.F. INC S.p.A.	Greece	-	100.00%		100.00%	SGF INC S.p.A.
Lavori Lingotto S.c.r.l. (in liq.)	Italy	25	100.00%	100,00%		
Nuovo Dolonne S.c.r.l. (in liq.)	Italy	50	100.00%	100,00%		
PGH Ltd	Nigeria	Ngn 52,000	100.00%	100,00%		
Rivigo J.V. (Nigeria) Ltd	Nigeria	Ngn 25,000	70.00%		70.00%	PGH Ltd
S. Leonardo S.c.r.l. (in liq.)	Italy	26	99.99%		99.99%	Imprepar S.p.A.
S.A. Healy Company	USA	Usd 11,321	100.00%	100,00%		
S.G.F. - I.N.C. S.p.A.	Italy	3,860	100.00%	100,00%		
San Martino Prefabbricati S.p.A. (in liq.)	Italy	10	100.00%		100.00%	Impresa Castelli S.r.l.
Savico S.c.r.l. (in liq.)	Italy	10	100.00%		81.00%	Imprepar S.p.A.
					19.00%	Sapin S.r.l.
Società Industriale Prefabbricazione Edilizia del Mediterraneo - S.I.P.E.M. S.p.A. (in liq.)	Italy	10	100.00%	100.00%		
Suramericana de Obras Publicas C.A.- Suropca C.A.	Venezuela	Veb 2,874,118	100.00%		1.00%	CSC S.A.
Sviluppo Applicazioni Industriali - SAPIN S.r.l. (in liq.)	Italy	51	100.00%	100,00%	100.00%	Imprepar S.p.A.
Vegas Tunnel Constructors	USA		100.00%	40,00%	60.00%	Healy S.A.
Fisia Italimpianti S.p.A.	Italy	10,000	100.00%			
Fisia Babcock Environment Gmbh	Germany	15,000	100.00%		100.00%	Impregilo Intern. Infrastruc. N.V.
Fisia Babcock Engineering CO. Ltd	China	140	100.00%		100.00%	Fisia Babcock GmbH
Gestione Napoli S.r.l. (in liq.)	Italy	10	99.00%	24,00%	75.00%	Fisia Italimpianti S.p.A.
Steinmuller International GmbH	Germany	25	100.00%		100.00%	Fisia Babcock GmbH
Fibe S.p.A.	Italy	3,500	100.00%		99.99%	Impregilo Intern. Infrastruc. N.V.
					0.01	Fisia Italimpianti S.p.A.
Impregilo International Infrastructures N.V.	Netherlands	50,000	100.00%	100,00%		
IGLYS S.A.	Argentina	Ars 17,000	100.00%		98.00%	Impregilo Intern. Infrastruc. N.V.
					2.00%	INCAVE S.r.l.
Impregilo New Cross Ltd	UK	Gbp 0.002	100.00%		100,00%	Impregilo Intern. Infrastruc. N.V.
Impregilo Parking Glasgow Ltd	UK	Gbp 0.001	100.00%		100.00%	Impregilo Intern. Infrastruc. N.V.
Mercovia S.A.	Argentina	Ars 10,000	6000.00%		60.00%	Impregilo Intern. Infrastruc. N.V.
Società Autostrada Broni - Mortara S.p.A.	Italy	25,00	61.08%	61.08%		Impregilo Intern. Infrastruc. N.V.
Companies consolidated according to the equity method					50.00%	Imprepar S.p.A.
Aegek-Impregilo-Aslom J.V.	Greece		45.80%	45,80%		
Anagnina 2000 S.c.r.l. (in liq.)	Italy	10	50.00%			
ANBAFER S.c.r.l. (in liq.)	Italy	26	50.00%		50.00%	Imprepar S.p.A.
Ancipa S.c.r.l. (in liq.)	Italy	10	50.00%	–	50.00%	Imprepar S.p.A.
Arbeitsgemeinschaft Tunnel Umfahrung Saas (ATUS)	Switzerland		32.00%		32.00%	CSC S.A.

(Values in €/000)	Country	Share capital €x1,000	% stake	% direct	% indirect	Indirectly invested companies
Arge Haupttunnel Eyholz	Switzerland		36.00%		36.00%	CSC S.A.
Arge Sisto N8	Switzerland		50.00%		50.00%	CSC S.A.
Arriyad New Mobility Consortium	Saudi Arabia		33.48%	33.48%		
B.O.B.A.C. S.c.a.r.l. (in liq.)	Italy	10	50.00%		50.00%	SGF INC S.p.A.
Cagliari 89 S.c.r.l. (in liq.)	Italy		49.00%		49.00%	Sapin S.r.l.
CE.S.I.F. S.c.p.a. (in liq.)	Italy		24.18%	24.18%		
CGR Consorzio Galliera Roveredo	Switzerland		37.50%		37.50%	CSC S.A.
Churchill Construction Consortium	UK		30.00%		30.00%	Impregilo New Cross Ltd
Churchill Hospital J.V.	UK				50.00%	Impregilo New Cross Ltd
Civil Works Joint Ventures	Saudi Arabia		14.50%	14.50%		
CMC - Consorzio Monte Ceneri lotto 851	Switzerland		40.00%		40.00%	CSC S.A.
CMC - Mavundla - Impregilo J.V.	South Africa		39.20%	39.20%		
Cogefar/C.I.S.A./Icla/Fondedile - Sorrentina S.c.r.l. (in liq.)	Italy	46	25.00%		25.00%	Imprepar S.p.A.
Consorcio Cigla-Sade	Brazil		50.00%		50.00%	CIGLA S.A.
Consorcio Contuy Medio	Venezuela		29.04%	29.04%		
Consorcio Federici/Impresit/Ice Cochabamba	Bolivia	Usd 100	25.00%		25.00%	Imprepar S.p.A.
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	Venezuela		33.33%	33.33%		
Consorcio Imigrantes	Brazil		50.00%		50.00%	CIGLA S.A.
Consorcio OIV-TOCOMA	Venezuela		20.00%	20.00%		
Consorcio Serra do Mar	Brazil		50.00%	25.00%	25.00%	CIGLA S.A.
Consorcio V.I.T. - Tocoma	Venezuela		35.00%	35.00%		
Consorcio V.I.T. Caroni - Tocoma	Venezuela		35.00%	35.00%		
Consorcio V.S.T.	Venezuela		35.00%		35.00%	Suropca C.A.
Consorcio V.S.T. Tocoma	Venezuela		30.00%	30.00%		
Consorzio Biaschina	Switzerland		33.34%		33.34%	CSC S.A.
Consorzio CEMS	Switzerland		33.34%		33.34%	CSC S.A.
Consorzio CGMR	Switzerland		40.00%		40.00%	CSC S.A.
Consorzio Cogefar/Italstrade/Recchi/CMC - CIRC (in liq.)	Italy	51	25.00%		25.00%	Imprepar S.p.A.
Consorzio Consavia S.c.n.c. (in liq.)	Italy	21	50.00%		50.00%	Imprepar S.p.A.
Consorzio Costruttori TEEM	Italy	10	1.00%	1.00%		
Consorzio CPS Pedemontana Veneta Costruttori Progettisti e Servizi	Italy	100	35.00%	35.00%		
Consorzio del Sinni	Italy	52	43.16%		43.16%	Imprepar S.p.A.
Consorzio Felce	Switzerland		25.00%		25.00%	CSC S.A.
Consorzio Felce lotto 101	Switzerland		25.00%		25.00%	CSC S.A.
Consorzio Ferrofir (in liq.)	Italy	31	33.33%		33.33%	Imprepar S.p.A.
Consorzio Imprese Lavori FF.SS. di Saline - FEIC	Italy	15	33.33%		33.33%	Imprepar S.p.A.
Consorzio Iniziative Ferroviarie - INFER	Italy	41	35.00%		35.00%	Imprepar S.p.A.
Consorzio Lavori Interventi Straordinari Palermo - Colispa S.c.r.l. (in liq.)	Italy	21	29.76%	–	29.76%	Imprepar S.p.A.
Consorzio Libyan Expressway Contractor	Italy	10	42.50%	42.50%		
Consorzio Mina de Cobre	Italy	10	50.00%	50.00%		
Consorzio MITECO	Italy		44.16%	44.16%		
Consorzio MM4	Italy	10	31.05%	31.05%		
Consorzio MPC	Switzerland		33.00%		33.00%	CSC S.A.
Consorzio Pedelombarda 2	Italy		40.00%	40.00%		

(Values in €/000)	Country	Share capital €x1,000	% stake	% direct	% indirect	Indirectly invested companies
Consorzio Piottino	Switzerland		25.00%		25.00%	CSC S.A.
Consorzio Portale Vezia (CVP Lotto 854)	Switzerland		60.00%		60.00%	CSC S.A.
Consorzio Sarda Costruzioni Generali - SACOGEN	Italy	Lit 20,000	25.00%	–	25.00%	Sapin S.r.l.
Consorzio Sardo d'Imprese (in liq.)	Italy	103	34.38%	–	34.38%	Sapin S.r.l..
Consorzio SI.VI.CI.CA.	Switzerland		25.00%		25.00%	CSC S.A.
Consorzio SIVICICA 3	Switzerland		25.00%		25.00%	CSC S.A.
Consorzio SIVICICA 4	Switzerland		25.00%		25.00%	CSC S.A.
Consorzio Stazione Mendrisio	Switzerland		25.00%		25.00%	CSC S.A.
Consorzio TAT-Tunnel Alp Transit Ticino, Arge	Switzerland		25.00%	17.50%	7.50%	CSC S.A.
Consorzio Trevi - S.G.F. INC per Napoli	Italy	10	45.00%		45.00%	SGF INC S.p.A.
Constuctora Embalse Casa de Piedra S.A. (in liq.)	Argentina	ARS 1	72.93%		72.93%	Imprepar S.p.A.
Corso Malta S.c.r.l. (in liq.)	Italy	41	42.50%		4250.00%	Imprepar S.p.A.
CSLN Consorzio	Switzerland		28.00%		28.00%	CSC S.A.
Depurazione Palermo S.c.r.l. (in liq.)	Italy	10	50.00%		50.00%	Imprepar S.p.A.
Diga Ancipa S.c.r.l. (in liq.)	Italy	10	50.00%		50.00%	Imprepar S.p.A.
E.R. Impregilo/Dumez y Asociados para Yaciretê - ERIDAY	Argentina	USD 539	20.75%	18.75%	2.00%	IGLYS S.A.
Edil.Gi. S.c.r.l. (in liq.)	Italy	Lit 20,000	50.00%		50.00%	Imprepar S.p.A.
Empresa Constructora Lo Saldes L..t.d.a.	Chile	CLP 10,000	35.00%	35.00%		
Empresa Constructora Metro 6 L..t.d.a.	Chile	CLP 25,000	49.10%	49.00%	0.10%	CIGLA S.A.
Executive J.V. Impregilo S.p.A. Terna S.A. - Alte S.A. (in liq.)	Greece		33.33%	33.33%		
FE.LO.VI. S.c.n.c. (in liq.)	Italy	26	32.50%		32.50%	Imprepar S.p.A.
Generalny Wykonawca Salini Polska - Impregilo - Kobylarnia S.A.	Poland		33.34%	33.34%		
Grandi Uffizi S.c.r.l. (in liq.)	Italy	10	31.46%		31.46%	Imprepar S.p.A.
Groupement Hydrocastoro	Algeria	DZD 2,000	49.98%		49.98%	INC Algerie Sarl
Grupo Empresas Italianas - GEI	Venezuela	VEB 10,000	33.33%	33.33%		
Healy-Yonkers-Atlas-Gest J.V.	USA		45.00%		45.00%	Healy S.A.
Impregilo - Rizzani de Eccher J.V.	Switzerland		67.00%	67.00%		
Impregilo Arabia Ltd	Saudi Arabia	SAD 40,000	50.00%	50.00%		
Impregilo Cogefar New Esna Barrage J.V. (in liq.)	Egypt	PAR 52	100.00%		99.00%	Imprepar S.p.A.
					1.00%	Incave S.r.l.
Impregilo S.p.A. - S.A. Healy Company UTE	Argentina	10	100.00%	98		
Impregilo Salini (Panama) S.A.	Panama	USD 10	50.00%	50.00%	200.00%	Healy S.A.
Imprese Riunite Genova Irg S.c.r.l. (in liq.)	Italy	26	26.30%		26.30%	Imprepar S.p.A.
Imprese Riunite Genova Seconda S.c.r.l. (in liq.)	Italy	25	26.30%		26.30%	Imprepar S.p.A.
IS Joint Ventures	Australia		50.00%	50.00%		
Isibari S.c.r.l.	Italy	15	55.00%		55.00%	Bocoge S.p.A.
Italsagi SP. ZO.O	Poland	PLN 10	33.00%		33.00%	Imprepar S.p.A.
Joint Venture Aegek-Impregilo-Ansaldo-Seli-Ansaldobreda	Greece		26.71%	26.71%		
Joint Venture Aktor Ate - Impregilo S.p.A. (Constantinos)	Greece		40.00%	40.00%		
Joint Venture Impregilo S.p.A. - Empedos S.A. - Aktor A.T.E.	Greece		66.00%	66.00%	–	
Joint Venture Terna - Impregilo	Greece		45.00%	45.00%	–	
Lambro S.c.r.l.	Italy	200	1.00%	1.00%		
Line 3 Metro Stations	Greece		50.00%	50.00%		
Lodigiani-Pgel J.V. (in liq.)	Pakistan		100.00%		100.00%	Imprepar S.p.A.

(Values in €/000)	Country	Share capital €x1,000	% stake	% direct	% indirect	Indirectly invested companies
Matsoku Civil Contractor (MMC) J.V.	Lesotho		30.00%		30.00%	Imprepar S.p.A.
Metrogenova S.c.r.l.	Italy	26	35.63%	35.63%		
Mohale Dam Contractors (MDC) J.V.	Lesotho		50.00%	50.00%		
Mohale Tunnel Contractors (MTC) J.V.	Lesotho		35.00%	35.00%	–	
Monte Vesuvio S.c.r.l. (in liq.)	Italy	46	50.00%		50.00%	Imprepar S.p.A.
Olbia 90 S.c.r.l. (in liq.)	Italy	10	24.50%		24.50%	Sapin S.r.l.
Pietrarossa S.c.r.l. (in liq.)	Italy	10	50.00%	–	50.00%	Imprepar S.p.A.
Quattro Venti S.c.r.l. (in liq.)	Italy	51	40.00%	40.00%		
RCCF Nodo di Torino S.c.p.a. (in liq.)	Italy	102	26.00%		26.00%	INCAVE S.r.l.
S. Anna Palermo S.c.r.l. (in liq.)	Italy	41	71.60%	71.60%		
Saces S.r.l. (in liq.)	Italy	26	37.00%		37.00%	Imprepar S.p.A.
San Benedetto S.c.r.l. (in liq.)	Italy	26	57.00%		57.00%	Imprepar S.p.A.
San Giorgio Caltagirone S.c.r.l. (in liq.)	Italy	26	33.00%		33.00%	Imprepar S.p.A.
Sclafani S.c.r.l. (in liq.)	Italy	10	41.00%		41.00%	Imprepar S.p.A.
Sep Eole	France	FF 10	50.00%		50.00%	Imprepar S.p.A.
SI.VI.CI.CA. 2	Switzerland		25.00%		25.00%	CSC S.A.
Sirjo S.c.p.A.	Italy	30,000	40.00%	40.00%		
Società di Progetto Consortile per Azioni M4	Italy	360	29.00%	29.00%		
Soingit S.c.r.l. (in liq.)	Italy	Lit 80,000	29.49%		29.49%	Imprepar S.p.A.
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	Argentina		35.00%	26.25%	8.75%	IGLYS S.A.
Thessaloniki Metro CW J.V.	Greece		42.50%	42.50%		
Todini-Impregilo Almaty Khorgos J.V.	Kazakhstan		49.995%	49.995%		
Unicatanzaro S.c.r.l. (in liq.)	Italy	15	56.00%		56.00%	Bocoge S.p.A.
VE.CO. S.c.r.l.	Italy	10	25.00%	25.00%		
Wohnanlage Hohenstaufenstrasse Wiesbaden	Germany		62.70%		62.70%	Imprepar S.p.A.
Yellow River Contractors J.V.	China		36.50%	36.50%		
Consorzio Agrital Ricerche (in liq.)	Italy	138	20.00%		20.00%	Fisia Italimpianti S.p.A.
Nautilus S.c.p.a. (in liq.)	Italy	480	34.41%		34.41%	Fisia Italimpianti S.p.A.
Villagest S.c.r.l. (in liq.)	Italy	14	50.00%	–	50.00%	Fisia Italimpianti S.p.A.
Aguas del Gran Buenos Aires S.A. (in liq.)	Argentina	ARS 45,000	42.58%	16.50%	23.72%	Impregilo Intern. Infrastruc. N.V.
					2.63	IGLYS. S.A.
Aguas del Oeste S.A.	Argentina	ARS 170	33.33%		33.33%	IGLYS S.A.
Coincar S.A.	Argentina	ARS 40,465	35.00%	26.25%	8.75%	IGLYS S.A.
Consorcio Agua Azul S.A.	Peru	PEN 69,001	25.50%		25.50%	Impregilo Intern. Infrastruc. N.V.
Enecor S.A.	Argentina	ARS 8,000	30.00%		30.00%	Impregilo Intern. Infrastruc. N.V.
Impregilo Wolverhampton Ltd	UK	GBP 1	20.00%		20.00%	Impregilo Intern. Infrastruc. N.V.
Ochre Solutions Holdings Ltd	UK	GBP 20	40.00%		40.00%	Impregilo Intern. Infrastruc. N.V.
Passante Dorico S.p.A.	Italy	24,000	47.00%	47.00%		
Pedemontana Veneta S.p.A. (in liq.)	Italy	6,000	20.23%	20.23%		
Puentes del Litoral S.A.	Argentina	ARS 43,650	26.00%	22.00%	4.00%	IGLYS S.A.
Sistranyac S.A.	Argentina	ARS 3,000	20.10%		20.10%	Impregilo Intern. Infrastruc. N.V.
Yacylec S.A.	Argentina	ARS 20,000	18.67%		18.67%	Impregilo Intern. Infrastruc. N.V.
Yuma Concessionaria S.A.	Colombia	COP 26,000,100	40.00%	40.00%		
Other Companies						
Aquilgest S.c.r.l. (in liq.)	Italy	10	51.00%		51.00%	Imprepar S.p.A.

(Values in €/000)	Country	Share capital €x1,000	% stake	% direct	% indirect	Indirectly invested companies
Aquilpark S.c.r.l. (in liq.)	Italy	10	51.00%		51.00%	Imprepar S.p.A.
Barnard Impregilo Healy J.V.	**USA**		**45.00%**	**25.00%**	**20.00%**	**Healy S.A.**
CO. MAR. S.c.r.l. (in liq.)	Italy	10	84.99%		84.99%	Imprepar S.p.A.
Consorcio Acueducto Oriental	Dom. Republic		67.00%	67.00%		
Consorcio Contuy Medio Grupo A C.I. S.p.A. Ghella Sogene C.A., Otaola C.A.	Venezuela		36.40%	36.40%		
Consorcio Impregilo - OHL	Colombia		70.00%		70.00%	Impregilo Colombia SAS
Consorcio Impregilo Yarull	Dom. Republic		70.00%	70.00%		
Consorzio Alta Velocità Torino/Milano - C.A.V.TO.MI.	Italy	5,000	74.69%	74.69%		
Consorzio C.A.V.E.T. - Consorzio Alta Velocità Emilia/ Toscana	Italy	5,423	75.98%	75.98%		
Consorzio Camaiore Impianti (in liq.)	Italy	26	55.00%	55.00%		
Consorzio Caserma Donati	Italy	300	84.20%	84.20%		
Consorzio Cociv	Italy	516	64.00%	64.00%		
Consorzio Scilla (in liq.)	Italy	1	51.00%	51.00%		
Consorzio Torre	Italy	5,000	94.60%	94.60%		
Consorzio/Vianini lavori/Impresit/Dal Canton/Icis/ Siderbeton - VIDIS (in liq.)	Italy	26	60.00%		60.00%	Imprepar S.p.A.
Constructora Ariguani SAS	Colombia	COP 100,000	51.00%	51.00%		
Constructora Mazar Impregilo-Herdoiza Crespo	Ecuador		70.00%	70.00%		
Empresa Constructora Angostura Ltda	Chile	CLP 50,000	65.00%	65.00%		
Eurolink S.c.p.a.	Italy	150,000	45.00%	45.00%		
Ghazi-Barotha Contractors J.V.	Switzerland		57.80%	57.80%		
Grupo Unidos Por El Canal S.A.	Panama	USD 1,000	48.00%	48.00%		
Impregilo-Healy-Parsons J.V.	USA		65.00%	45.00%	20.00%	Healy S.A.
Impregilo-SK E&C-Galfar al Misnad J.V.	Qatar		41.25%	41.25%		
Impregilo-Terna SNFCC J.V.	Greece	100	51.00%	51.00%		
Interstate Healy Equipment J.V.	USA		45.00%		45.00%	Healy S.A.
La Quado S.c.a.r.l.	Italy	10	35.00%	35.00%		
Librino S.c.r.l. (in liq.)	Italy	46	66.00%		66.00%	Imprepar S.p.A.
Melito S.c.r.l. (in liq.)	Italy	77	66.67%		66.67%	Imprepar S.p.A.
Metro Blu S.c.r.l.	Italy	10	50.00%	50.00%		
Montenero S.c.r.l. (in liq.)	Italy	10	61.11%		61.11%	Imprepar S.p.A.
Nathpa Jhakri J.V.	India	USD 1,000	60.00%	60.00%		
OS.A.V.E. S.c.r.l. (in liq.)	Italy	10	66.15%		66.15%	Imprepar S.p.A.
Passante di Mestre S.c.p.A.	Italy	10,000	42.00%	42.00%		
Pedelombarda S.c.p.a.	Italy	80,000	47.00%	47.00%		
Reggio Calabria - Scilla S.c.p.a.	Italy	35,000	51.00%	51.00%		
S. Leonardo Due S.c.r.l. (in liq.)	Italy	41	60.00%		60.00%	Imprepar S.p.A.
Salerno-Reggio Calabria S.c.p.a.	Italy	50,000	51.00%	51.00%		
SFI Leasing Company	USA		30.00%	30.00%		
Shimmick CO. INC. - FCC CO S.A. - Impregilo S.p.A -J.V.	USA		30.00%	30.00%		
Trincerone Ferroviario S.c.r.l. (in liq.)	Italy	46	60.00%		60.00%	Imprepar S.p.A.
Vittoria S.c.r.l. (in liq.)	Italy	20	58.00%		58.00%	Imprepar S.p.A.